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# KEY TO ADVANCED ACCOUNTS

R A GOODMAN.

FIFTH EDITION



SIR ISAAC PITNAN & SONS LID
FILMA PROES PARTER TRITTER RICHARY LONDON W C 2
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### PREFACE

This Key has been prepared for the purpose of giving assistance to teachers and students in the correction of work. All practical exercises have been adequately worked.

Leonomy has been effected by the omission of folios and minor Ledger accounts Narrations for Journal entries have been made only where such have been asked of the examinee

In a lew cases questions have been passed over by a reference to the textbook as it has been thought unnecessary to duplicate information contained in Advanced Accounts

Every care has been taken to ensure that adequate and accurate working which may reasonably be expected in a book of this kind if it is to save the teacher and the student disappointment

The present (fifth) edition is based on the completely revised and re-set edition of Advanced Accounts first issued in 1942.



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## KEY TO ADVANCED ACCOUNTS

EXERCISE 1-No I.

IOURNAL ENTRIES

			_					
19 (a) Jon 19	15	Office Form time and Fill may etc — warw To Office Formsture and Fillings etc — old Exchange of 3 cappets valued 44 each for 2 office deaks worth fld	12	-	d_	12	-	d -
(b) Jan	17	Office Furniture and Fift mgs etc NEW To Office Furniture and F things etc OLD Exchange of office sale valued £20 for typewriter worth £20.	25	-	-	25	-	-
•	17	Office Furniture and I things etc - Oup In Ga n on Salefor Lathuage of Furniture etc For adjustment of value for which one furniture was exchanged	5	-	-	3	-	-
			E42	-	-	€42	-	(
	_	l						_
EVER	Dre	P 1 N						

### EXERCISE I-No 2

	PURCHASES BO	ok	~				
19 Jan 1	A Brown— 20 Bags of Coffee Less 10% trade discount	£ 81 8	ş 2	d -	£	s	d
,, 5	R Smith & Co — 12 cases of Sugar Less 12½% trade discount	48 6	16 2	=	72	18	} -
ы 9	T Titus— 6 chests of Tea Less 20% trade discount	45 9	15	5	42	14	-
., 15	O Omicron & Son— 20 bags of Coffee Less 71% trade discount	80 6	65 1	8 3	36	12	4
" 23	P Peters Ltd — 20 cases of Sugar Less 5% trade discount	61	_ 1	-	74	15	5
., 27	L Lucas— 12 bags of Cocoa 1ess 25°, trade discount	38 9	6	9	57	19	-
			_		28	14	6
				£	313	13	3
	·	4 1	S. 4		į, i		

		JOURNAL EN (P Suite's I		_		_	(1)	)
19. Feb	1	J Swift	£ 5so	s 	<i>d</i>	£ 580	5	d.
		Bills Receivable To J Swift For bills of exchange of £250 and £200 for periods of two and four months respectively	450	~		450	-	-
	•	J Swift To Commission 1% of £450	8	16	8	4	10	
		To Discount .				1	13	4
		4% of £250 for two months To Discount 4% of £200 for four months				2	13	4
		Cash To J Swift  # 130 as agreed and #8 16s 84  (the amount of the commission and discounts)	134	16	8	139	16	8
			£1 177	13	4	£1 177	13	4
_		1					;	<u>,                                     </u>
	Dr	LEDGE (1) John Swi				(1)	Cr	
Feb	1 1	To Sales   Se0   1   Tel	By	B 1b 2 Cash	Receiv	able 456	16	8

### EXERCISE 1-No 4

### RECONCILIATION STATEMENT

Bank Balance as per Pass Book	£	s	đ	£ 205	5 15	đ 5
Add cheques paid in Nor cred te.— Plumer Methuen Cronje	98 208 84	16 14	2 4 9			
				391	11	3
Deduct cheques paid away NOT yet presented—				597	6	8
Chernside Hunter	41 101	4	8	1		
Bank Balance as per Cash Book 31st		-	-	142	5	6
Dec				£455	1	2

### EXERCISE I-No 5

### BANK RECONCILIATION STATEMENT

Balance shown in Bank Sheet Add cheques paid in NOT credited	1 123 72	s 4	d 7 8
Less cheques unpresented	1 195 240	5	3 2
Balance as Cash Book (a) Add Amounts not posted to Cash Book	954 20	19 14	14
Balance as Cash Book (b) Less amounts not posted to Cash Book	975 2	13 6	5 8
	£973	6	9

<sup>(4)</sup> After adjustment of coursed stems

<sup>(</sup>b) The Cosh Book balance should have been 1973 6s 9d and not 1988 3s 2d as stated in the quest on.

There, there a defended of 15 3s 7d and at the old before the cost of the

There is thus a difference of £5 3s. 7d, which should be focused by a check of the entries in the bank columns of the Cash Book with the entries on the Bank Sheets.

Note: The question does not seem to be perfectly their as regards the fem of Bank Interest. If it is needed to be a charge and not an allowance the difference wil be 19 16s, 11d.

( ب

2 ŝ

=

2

\*

Fravelling Expenses Ċ

### EXERCISE I-No 7

See Advances Accounts page 6 (under Present day Use of Journal ) Books in daily use in the Counting house of a City Warehouseman are as enumerated below—

(1) Ledger (2) Cash Book (3) Purchases Book (4) Sales Book (5) Returns Books (a) In, (b) Out (b) Built Books ((a) Receivable (b) Payable (

### EXERCISE I-No 8

### SALES BOOK

	I.		
19 July 1 A Buno	£	5	à
1 bale Stuff Goods (20 pieces each 20 yds @ 9d x yard)	18	15	
	1	-	_

### Terris 1 month 6% prompt Cash

### CASH BOOK

(DEBIT SIDE)			_			
	- 1	Disc	ou	nt	Ca	sh
10	- 1	7		101	7	1.1

### EXPRCISE I-No o

See Advanced Accounts Chapter IN

To A Bunn

### EXERCISE I-No to

### JOURNAL OF JOHN FARVER WOOD MERCHANT

(4)	Commission Account Dr To Mr Low 2½% of £9 342 6s 6d	233	\$ 17	d 2	£ 233	s 11	d 2
ίδι	Solicitor's Charges Dr Cash To H Smith Settlement of H Smuth Account	9 78	6	6 2	87	10	8
(6)	Sundry Assets Account Dr To D Harris Second hand car purchased from D Harris (debtor)	40			40		

### EXERCISE I-No. 11.

6

A reference to Advanced Accounts, pages 3 to 5, will give the necessary information on the question

### EXERCISE I-No. 12.

The books generally used in a Merchant's Office are as follows-

- (1) Iournal
- (2) Purchases Book (3) Sales Book
- (4) Returns Inwards Book
- (5) Returns Outwards Book
- (6) Bank Cash Book (7) Petty Cash Book (Imprest)
- (S) Bills Receivable Book (9) Bills Payable Book
- (10) Ledger

The Cash Book ruling recommended is as example in Chapter IX of Advanced Accounts

### EXERCISE I-No. 12

### IOURNAL ENTRICS

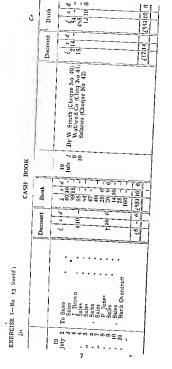
19 July 5	J Sinith To Bills Payable For acceptance at 3 mos dated 1st July	147	10	d -	£ 147	s 10	đ
, 5	Bills Recenable To Wm Dart For acceptance at 2 mos dated 2nd July	126	4	-	126	4	-
		€273	14	j	£273	14	E

### PURCHASES BOOK

19 July 7	Wallace & Co —	£	1	đ
	20 bairs Fancy @ £25 a bale	500		

### SALES BOOK

19 July 2	P Jones— 12 picces Tapestry (240 yds @ 1/9)	-	£ 21	2	d. -
, 10	F flumble- 20 pieces Fancy @ £35 a piece .		700		-
		- (	£721		



### EXERCISE I-No 13 (contd)

TRIAL BALANCE

Purchases    Smith   Bil's Receivable   W Smith   F Humble   Salarie-   Bills Pavable   J Brown   Sales   Discount   Wm Dart   Bank Overdraft	:	:::::::::::::::::::::::::::::::::::::::		**************************************	500 147 126 56 700 12	5 	6	147 89 1,007 12 125 160	10 10 1 13 4	6
				£	1 542	18	6	₹1 542	18	6

### EXERCISE I-No (4

### JOURNAL ENTRIES

19 Jan –Dec	Purchases Account To Sundry Creditors	12 510	s d	£ 12 310	s a.
	Sundry Dehtors To Sales Account	15 627	-	15 627	
	Returns Inwards Account To Sundry Debtors	248		248	-
	Sundry Creditors To Returns Outwards Account	340	-	340	_
		£ 28 525	35	28 525	
		1	ىك		\

10 600 2 500 395 16 075 By Sundry Creditors as Thompson Repairs Balance c/d nterest Wages CASH BOOK 72 25 25 25 26 25 25 500 91 7 Deposit Account EXERCISE I- No 14 (contd.) Interest Jan Dec å

ΰ

### EXERCISE I-No 14 (contd).

		OPENIN	G I	NTR	IES				_
19. Jan 1	Bank Stock Warehouse Deposit Acc To Jas 1 ,, Capit	ount [hompson al Account	:	:	225 6 000 1 500 2 500	s d	4 000 6 225 10 225	-	d.

		TR	141	BALANCE				_	
Purchases				112 310	s	ď	d £	s	d
Debtors				899	-	۱ -	1		1
Returns Innardy				243	- 1	1 -	9		
Discount				230	-1	-	6 1		
Interest				125	- 1	-	8	10	
Deposit Account				1 000	- 1	-	2	m	
Stock				6 000	-	-			
Bank .				695	-1	-			
archouse	•		-	1 500	- 1	-		- 1	
Trade Expenses				1515	- [	-	4		
A Cla.k		•		500	- 1	-	5	1	1
Sales		•		1 1			15 627	- 1	
Creditors				1 1	. 1		1 370	- 1	
Returns Outware's		•	•		-		340	- 1	-
Јаз Тропарвов	•	•		fi i	- 1		1 500	-	
Capital	•	•	•	- H	:		6 225	-	_
				6.25 062	i	_	25.062		

### EXERCISE 1-No 15

(Dr SIDE) BANK ACCOUNT OF F GRAY

		14th		21st	i	28t)	a _	
Balance 1 150 Sundry Debtors 513	11 4	1 352 311 1 663	5 4 6 -	1 453 322 1 775	s d 2 4 1 8	1 043 453 1 496		a -

(Cr SIDE)

	7	th_	14	\! Ith	ay 2	lst	281	th	
Sundry Creditors Transfers to Petty Cash Balance	1 352	5 d 6	110 100 1 453	s d 9 2 4	631 100 1 043	-	146 100 1 250	3	:
	€1 663	11 4	1 663	11 4	1 775	4_	1 496	13	

### TRIAL BALANCE

Bank Petty Cash Cash Purchases General Expenses Salanes Personal Drawings Travellers Expenses Capital Account Sundry Creditors		:	-	1 250 45 55 45 160 80 60	s	d	£	s	ď
Capital Account				l.		1 !		-	- 1
Sundry Creditors .	•						45	-	-
				£1 695	<u> </u>		1 695	-	=

Ç	Days - du	\$28 . G	ů	Days	1222222222222222222222222222222222222
	Amount	20 8 11 12 8 8 11 12 8 8 11 12 8 8 11 12 8 8 11 12 8 11 12 8 11 12 8 11 12 8 11 12 12 8 11 1	BOMBAY	Amount	200 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Due Date	Mar s Mar s 03.28	DHAM.	Due	LESSES ESSES
L LOCKE IN ACCOUNT CURRENT WITH R KAY	Parteculaci	By Carls I Spines Lapines Conditions Shall share of Prodetts Balance of Prodetts	No 13 NEWTON, MANCHESTER, IN ACCOUNT CURRENT WITH O OLDHAM, BOMBAY	Particulars	Dy Blance Construction Acceptance Acceptance Confi Dis of Percent (4) Blance (4) Blance (4)
CURRE	Date	N. 45 10 10 12 15 10 15 15	CURP	Date	Jan 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
OUNT 6	Pro	11,360	NOOC	Pro	119 732 100,596
90	Days	80	N N	Days	2 8
LOCKE IN	Amount	123 15 5 62 10 6 1 6 4	CHESTER,	Ameuni	1,617 14 8 606 2 8 602,223 17 4
ħ	Date	Jan J Feb 12	N. MAN	Date	June 15
EXERCISE VIII-No. 12 Dr.	Particulars	To Balance  Coods  Balance  Balance  ( Follow )	N N	Particulars	in 27 To Net Consent of AlS  4 > 24 II Net Consent of AlS  4 > 24 II Net Consent of AlS  6 Carton  7 Date (Al)  7 Date (Al)
EXERCI!	Date.	Sier 3:	EXERCI	Date	Jane 30

### EXERCISE VIII-No 14

### AVERAGE DUE DATES

					ZEI	O DATES		
	_			June 5	At	сият 28		
Date	Item	Amount	Days	Products	Days	Products	Days	Products
19   ine 5   July 12	Goods	726 16 2 979 17 8	37	3C 260	105 68	76 335 68 640	82 45	59 614 44 100
Aug 26 Sept 18	7	1 127 3 11 359 8 6	82 105	92 414 37 695	23	25 921	23	103 714 6 257
		£3 193 6 3	1	£166 369		€168 898	[	£95 457

June 5th + 52 days gives 27th July Sept 18th 33 days gives 27th July
Au., 26th - 30 days gives 27th July

### EXERCISE VIII-No 15

Date	-ditem	Amo	tave		Days	Pro ducts
19 June 5 8 Sept 11	Goods	955 466 229	s 9 16	d 10 8 7	Zero 33 98	Date 15 411 22 540
(1 052 d	tvided into 37 951 gives 36 dys 5+36 days gives July 11)	£1 052	1	1		£37 951

### EXERCISE I-No 18 (contd)

### BALANCE SHEET OF X AND Y AS AT 30TH JUNE, 1938

Lial stines  Capital Accounts  Viv.  Current Accounts  X Balance lst July Add Share of Profit  Y Share of Profit  Less Oldrawn  Early Oldrawn  Early Oldrawn  Early Oldrawn  Early Oldrawn  Early Oldrawn  Sundry Creditors	£ 7,680 4 000 3,350 1,090 1,320 790 3,820 £21 970	Assets  Hant and Machuery Motor Lornes Interest Pittings Stock, 30th June Sundry Debtors Less Bad Debts Reserve Estop Rater Paul in Advance Insurance do Cash in hand	£4,050 1,440 810 2,500 6,780 6,290 40 30 30
---	---	---	---

EXERCISE II-No. I.

### THE PINLICO CYCLE CO

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. (Dr sipe)

(Dr stpe)		_		_	_			_
To Stocks Iti January— Materials Machines Purchases—Materials Wages of Workmen Balance—Gross profit	:		£ 2730 7,838	\$ - -	d -	10 588 139,920 26 798 19 484 (196 790		<i>d</i>
						(Cr	SII	DE)
By Sales—Machines ,, Stocks 31st December—			£	s	d	188,680	s -	d
Materials	:	- 1	1 868 6 250		Ĵ.	8,110	-	-
		Ì				£198 790	_	-

31st Decryper 19

### EXERCISE II-No 1 (contd)

D:

### THE PIMLICO CYCLE CO

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

	Old Diocanta 13	
To Avente Corum sson, 4 804 Add Commis due 40 Central Expenses Travellers Commis and Salares The Salar	750 750 750 750 750 750 750 750 750 750	19484
To Copital Association  I Brown 1 share 2 of R. Philips 1 share 4 70	r d ( )   6   8   8   8   8   8   8   8   8   8	£ 2 d 2 d 4 (7 419 2

### THE PINLICO CYCLE CO

BALANCE SHRET AS AT 31ST DECEMBER 19 Lightities

Cash Creditor Built Payable Sundry Cred tors Com due to Agents Capital Accounts— P Brown Balance 1st Jan Add Interest Share of Profi	-	I		4 200 3 940 4 462 700	-	417	Cash at Bank Sunday Debtors 6 558 - Less Bad Debts Res 3.0 - Stocky- Maternals 1 880 - Maternals 6 220 - Flant and Machayer 6 880 - Less Deprecation 344 -	3 990 6 236 8 110	5 4
Less Drawings  R. Phillips  "balance list Jan  Add Interest  Share of Prof	8 935 1 120 *900 245 1 2 7 79		[	7 ZI3	9		Buildings	6 a36 2 a00	=  = 
Less Drawings	7 854 900		-	6 954 27,372	1	-	£.	27 37 1	

Cr.

٦

### EXERCISE II-No. 2.

De

### MESSRS WOLFE, HARVEY & CO. TRADING AND PROFIT AND LOSS ACCHINT

FOR THE YEAR ENDED 30th TUNE 19, 1 51,558 By Sales To Stock-Ist July " Stock--30th Jene 19 514 " Purchases Wares (manufacturing) 44 662 € 838 Ralance—Gress roufit 0 310 71 072 - -22 072 2,160 By Trading Account Gross profit 10 310 To Advertising Lest amount paid 10 advance 100 2 959 Rent Rates & Taxes 1 396 Add amount owns 290 1 696 , Sularien Trade Expenses 1 700 1.095 " Addition to Bad Debts Reserve " Bid Debts 159 DEACHALLON merion-int & Vachinary 5°, of £10 650 , Lease (annual ami 502 he written off)

" Interest on Capital 200 2,134 10 # D scounts allowed # Balance—Nar profit 1 092 to Capital Ales-R Wolfe 1 mare 175 7 T Harvey 1 share 175 7 150 14 ( 11 076 -1 -11 076 - -

## EXERCISE II—No 2 (conid) VIESSRS WOLFE HARVEY & CO BALANCE SHEET AS AT 30TH JUNE 19

LIABILITIES Pulls Payable	£	,	2	6 502	3	e.	Assers Cash	íon	•	4	£	ŀ	١,
Sundry Creditors Rent Outstanding				11 2°4 290		U	Bank	1 880		Ξ	1 950		į
R Wolfe Balance 1st July 2:					1		Bills Receivable Sun Irv Debtors Less Bad Debte	25 928	-	-	940		:
	156	,	į	1			Reserve	500	_	ات	25 429		l.
<u> </u>	451	_	-	120 64			Stock Plant& Michinery Less Deprecait on	10 655		_	19 514	-	
I Harvey Bulance 1st July 1:	9 570	_	_	3 1131	,	1	Lease Less annual amb	3 000		1	10 123	'	
Add Interest Share of Profit	-	7	_		Ì		wrstten off Advertising prepaid	200		-	2 800 100	-	:
Les Drawings	723	17	-	19 423	17					ı			l
			ć	61,891	1	-				٤	60 891	4	7

### EXERCISE II-No 3

## MESSRS RICE & BAXTER

D٧	FOR THE			31st DECEMBER	19 ,	_	Cr	
To Stock—1st Jan Purchases Less Returns Outward Balance—Gross Profit	35 640 ·	39	884 873 10 757 10	By Sales  Lets Returns Inwards  " Stock—Jist Dec	29 360 2 460	-	£ 26 900 12 857 39 757	10

### MESSRS RICE & BAXTER

To Rent Rates & Taxes , Trade Charges , Interest i D sepunt , Salarree	£	4	d	700 460 270 1 200	5	-	By Trading Arcount—Gross profit Interest Account— [For charge of 5%, for 1 qr or support of £200 over		3	11
" Bad Debts Reserve 24" of £17 078 " Interest on Capital Accounts— P Rice				426	19	-	drawn by F Büxter)	2	10	
5% of £20 000 F Baxter 5% of £10,000 , Balance Ney Profet to Capital A/cs	500	-	_	t 500	-					
P Proce  § share  F Brater  [ share	879 439	_	3	1 315	11	10				

### EXERCISE II-No 3 (contd).

## MESSRS RICE & BAXTER BALANCE SHEET AS AT 31st DECEMBER 19...

B ils Payable Sundry Creditors Rent Outstanding Capital Accounts P Rico Balance, ist Jan Add Interest  " Share of Profi	£ 27 000 1 000 t 8/9	1	2 633 3 9.0 160		Assers  Bank—Current A/c  n —Deport A/c  Bills Receivable Sundry Debtors Lest Bud Debts Reserve Stock	2 418 1 600 17 078 428	_	3 418 3,560 16 651 112 857	1	d
Less Drawags  P Baxter Bilance, let Jan Add Interest "Share of Prof.	300	] _ 	27 279	3 3	Farmiture & Cixtures			500		
Les Drawings (including lat of £ %)	10 93 <del>0</del> 1 002		9 9 17	- 7 I 10			6	36 989	1	1

### EXERCISE II-No 4

### MESSRS LEWIS & CO.

$D_r$		Account ED 30th June 19 .	Cr
To Stock 1st "Purchases "Freight ar "Wages "Bal—Gro	d Carnage 158 5 340	By Sales Stock, 30th June	37 500 5 d 11,774 1S 4

EXERCISE II-No 4 (contd )

n,

# MESSRS IEWIS & CO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 19 .

To Goo & Elec. Lebst Comm no as D set Comm no as D set Debt Reserve Salares Salares Guite to T Smotheral Reserve But to T Smother	80 - By Fred as Augus 1- 100 - 100 100 - 1	- 700 15 4 45 750 18 4
	ESSRS LEWIS & CO SHEET AS AT 30TH JUNE 19	
Livestries, £ s d Bank Overdraft B ils Paval le Sundry Cred tors Captal Accounts P Lews Balance 1st July 7012 Add Interest 330 12	f d Cash Assers f s 1 970 6 245 B ils Recovable Sundry Debtors Add Debtors for Rent 9 036 9 066	d £ 1 d 20 781 -
Share of Profit 336 19 6  Less Drawings 1000 -  T Smithers Briance 1st July 5010 - 444 laterest 250 10	Less Bad Debts   2.50	8 856 11 774 18 4
Salary 300 "Share of Profit 397 16 16 5300 5 20 Less Drawings 400	5 558 6 10 21 431 1/8 4	£ (21 431 18 4

### EXERCISE II-No 5.

### MESSRS ROCKLYN & CO

BALANCE SHEET AS AT 30TH SEPTEMBER, 19.

LIABILITIES Sundry Creditors Capital Accounts	£	•	4	3,080	s -	ď	Assurs Cash ,	80 3 1 20	•	4	£	*	l
A Rucklyn B dance 1st Oct Add Interest , Share of Profi	542	_	11				Sundry Debtors  Les Bad Pebts  Reserve	9 300	-	-	3 200	-	ĺ
Leu Drawings	16 910 CU3		_	16 110	57		Less Disct Reserve	8 8 10 22 1	Ξ		2612	Į	Į
P Farmley Bilance 1st Oct Add Interest Share of Prob	ala	- 6	-				Stork Plant & Machinery Less Depreciation	7 000	-	1	3 372 6 650	-	
	16 350 700	3	-	15 6%	3		Premises Extension of Works		Ī	1	10 000 3 000	-	
			d	34,841	ì					6	34,841	-	ĺ

### MESSRS ROCKLYN & CO

### TRADING ACCOUNT

$D\tau$	FOR THE			30TH SEP	EMBER, 19	. Gr
To Stock 1s " Furchase " Wages of " Coal and " Bal — Gr	t Oct s Workmen Coke	7 960 18 682 6 333 1 040 18 592 52 612	s d	By Sales	30th Sept	£ 52 612

C+

### \_XERCISE II-No 5 (confd)

## MESSRS ROCKLAN & CO.

PROFIT AND LOSS ACCOUNT Dт FOR THE YEAR ENDED 30TH SEPTEMBER 19



### EXERCISE II-No 6

#### Micene M HTGOLUNA I & DOIGH

			E SSI				& L ACKWORIN				
		1	ALAN	CE S	HERT	AS A	T 31ST MARCH 19				
Liabilities Bills Payable Rent Owner	Ĺ	14	£	•s d	£12	3 4	Asseré Cash n Hand Cash at Bank	6 7 3 112 6 6		,	ď
Capital Acco nes-					2 257	16 9	Sandry Debtors  Less Bad Debts Reserve	4 799 10 -	118		1
Bal 1st April 444 Interest				10 10 6	) 1		Stock Plant Mach nery and Fix tures	5 672 13 4	4 676 1 658	11	9
Less Drawings Half Shace of Loss	396 250			10 -	1		Less Depreciation Insurance Unexpired	>67 5 4	5 10 <sub>5</sub>	8	4
E Ackworth— Bal 1st April Add Interest			3 626	3 4 6 2	5 334	16 6		}		,	
Lets Draw nes Half Share	8	14 6		9.6							
) of Loss	250		53:	14 6	3 271	1					_
				£	11 306			٤	11 566	11	2

C+

### EXERCISE II-No 6 (contd.).

#### ERCISE II—No o (conta).

### MESSRS W PRICE & E ACKWORTH TRADING AND PROFIT AND LOSS ACCOUNT

Dr. FOR THE YEAR ENDED 31ST MARCH 19 .

To Stock, 1st. April  "Purchases  Less Returns Outward  "Carriage Inwards, "Blaoufactg Wages."  "Expenses."  Factory Fud and	£ r 8,329 4 317 6	2,172 7 8 011 89 991 267	17 15 9	65	By Sales  Less Returns toward.  " Stock "	12 617 15 - 742 2 6	£ tt,675 1,658	12	-
Power Balance, Gaoss Profit c/d		1,946 13 534	7	2 5 3		e	19 534	7	3
To Office Salaries .  " Lighting and Heat ing .  " Travelling .  " Carriage Outwards .  " Rent, Rates and .  Tases .  Add Quarter's Ren.	276 14	39 92 95	\$0 5 6	6 7 7 9	By Trading Account, GROSS Probi b/d ,, Bal, Ner Loss ,		1,946 500	7	5
owing  " Office Expenses " Discount " Discount " Insurance Less amount un expered	67 6 7 3	271 42 4 50	1477	*					
", Interest on Capital ", Provision for Bad Debts Depreciation— 10% of Plant, etc.		466 119 567 (2,446	2 16 5	3 4			(2 416	7	5

## EXERCISE II—No 7

ď

### MESSRS PERRY & RUSTON

Dr	FOR	THE '		ED 30th APRIL	19	Cr
To Stock 1st May "Purchases Less Returns Outward "Carriage Inwards "Wages (manufels) "Ball, Gross Profit	1		6 390 10 100 316 3 994 7 842 27 834	By Sales Zess Returns Inwards Stock, 30th Apr	21,590 4 d 2590	18 500

### EXERCISE II-No 7 teentd

### MESSRS PERRY & RUSTON PROFIT AND LOSS ACCOUNT

Dr FOR THE YEAR ENDED 30TH APRIL 19 Cr£ 17 To Law Charges By Tryding Account-General Expenses 758 Gross Pref t 7 0 4 3 D scounts allowed Swaries Min D secunly received SMI 150 Discount Reserve on Cred tors " Pad Debts 260 (24°, of £3 578) 89 Rent Kates & Taxes 1 120 Bad Debts Reserve (estimated) Las Old Reserve 291 -23 -71 Discount Reserve on Da Btors [3] of (6 031) 226 3 Plant & Machinery (In° of (a 900) 500 Cash Creditor 150 Capital Accounts-A Perry 5°, of (9 28) B Ruston 5°, of (7 ~~0 464 370 1 000 Balance-Ner Profit t Cap tal A/cs— lerry & sh Ruston & sh 728 11 485 14 0 57 711 (7711

## MESSRS PERRY & RUSTON BALANCE SHEET AS AT 30TH APRIL 19

	11	IT.	11		_	_	1	ſ	T
LIABLITHE & 6 4	1 870	10 4	ASse7s,	£,		4	Æ	1 5	ď
1 s Pavable under Creditors 3 5 8	1 870	1-1	Cash Bank	1 898		-1		1	ŧ.
Less D set Reserve 89 9	li .	11	Dank	1 849	_	_	1 538	1	J.
part part and an a	3 489	int	Bills Receivable			i	536	l	Į,
ash Creditor (includ	1		Sundry Debters	6 322		ı		f	ı
in accrued Interest)	A 160		Less Bad Debts			- 1	l		ı
aprilas Accounts—	8	11	Reserve	291		_'	}	1	1
Batance 1st May 9280	J)	11	1	6 031		_	l		1
Add interest 464 -	-(1	Į Į	Less D set Reserve		3	3,			Į.
Share of Profit 728 11	6	11	H		-		5,B0 -	'16	9
10 472 11	e l	11	Stock Plant& Machinery	a 900		J	9 384	-	ļ-
Less Drawings 8JD	٠,	11	Less Depreciation	590		ì			ì
	9 672	11 6			_	-1	3 3 I D	Ш	l -
Ruston	9	11	Premises			- {	4 000		-
Balance 1st May 7570	ll .	ιι	Al .			ŧ		ı	l
Share of Prof. 48a 14	2	11	I)			- )	1	ш	
	_H	11	1)			1		П	1
\$ 3S1 14	3,	11	11			- 1			
Less Drawings 600	1	1.1.	.4			- 1	1		i .
	7 78	14.0	1			- 1.		ш	
	C 76 97	16 9	ı'l			sl.	26 972	18	9
	1		41	•		~		_	-

### EXERCISE II-No 8

### MESSRS KINGSLEY & I ARKE TRADING ACCOUNT

Dr	FOR TE	E YEA	R EVE	ED 31st JULY, 19.		Cr
To Stock 1st Purchases Wages (ma Bal —Gros	nufcte )	10,764 21 162 9 294 15,890 57,110	s d	By Sales Stock, 3fst Jul	y .	47 560 s d

### MESSRS KINGSLEY & LARKE

Dr	FOR		ND Loss Account ENDED 31st JULY 19	Cr
To Decounts allowed Control Charles Ch	1,060 0 532 0 540 0 469 1 469	1 550 1 770 3 500 9 20 2 520 1 190 1 1 500 1 1 500 1 1 500	by Training Astronomic Centel Profit  Deceasing read in the Astronomic Centel Profit  Lit Aus 1 106  Law New York 1 106  Law N	

### EXERCISE II-No 8 (contd )

### VESSRS KINGSIFY & LARKE BALANCE SHEET AS AT 31ST JULY 19

In titles. £		2636	{*}:	ASSETS,	20	1	4	16	1/4
Sundry Creditors Work Manager's Com		6 994	11	Bank	3 9 40	-		3 960	10
Capital Accounts -		197	m	Sundry Debtors	11 760	-	-	3 900	
B Kingsley Balance 1st Aug 21 360	-	ł	iì	Less Bad Debts Reserve	600		-	1	
Add Interest 1 669 Share of Profit 2 502	6	1	lì	Stock		_		9 550	11:
21 930	_	-/	íí	Patents	3 (470		ì	3 337	11
Las Drawings 1940	0	ll.	Н	Less Department		_		2 700	1.
R La ke	_	27 930	19	Plant& Machinery Less Depetriation	1 469		-		1
Ralance 1st Aur 10 640 644 Interest 532		Įį –	н	Premies	4 000	-	-	13 221	- 1
Share of Profit 1 211	3	-1	и	Less Depreciation	200		1	3 500	1
Less Dramoss 900	3	Ì	11			_		3000	1
	-	11 523	3	9			1	1	1
		44 391		1			E	44 391	7

### EXERCISE II-No 9

### MESSRS RAMSDEN & BROOKES

Dr	FOR	THE	YEAR ENDED 30TH JUNE 19 '	Cr
To D security allows Rent Rates & Las Reps in Rates & Las Reps in Central Expense-Bad Debts Retery (5% of 2017 East old Retery 10% of 2017 East old Retery 10% of 2017 East old Retery 10% of 2017 East East East East East East East East	es 1 008 e 600 e 6	16	1	\$ 960 -

### EXERCISE II-No o footd i

### MESSRS RAMSDEN & BROOKES

### TRADING ACCOUNT

Dr.	FOR T	HE YEAR	ендер 30ти јик	E, 19	Cr	_
To Stock, 1st J ,, Purchases ,, Wages ,, Bal —Gross	:	5,900 17,182 2,940 5 860	By Sales Stock, 3		29,384 2,498 31,892	s d

## MESSRS RAMSDEN & BROOKES

	BAL	ANCE	SHE	T A	S AT 30TH JUNE,	19 .				
Lianti.itizs Bills Payable Sundry Creditors Capital Accounts	Ĺ		3 800 8 192	-	Assets Cash Bank	£ 30 1,120	-	1,120	,	4.
A Russden Balance 1st July Add Interest "Share of Profi	615	12 -			Bills Receivable Sundry Debtors Less Bad Debts Reserve	29 176		620		-
Less Drawnings P. Brookes	1 200	12	12 379	12 -	Stock Plant & Machinery Less Depretiation	3 560 356	-	19 167 2,498 3 204		:
Balance 1st July Add Interest II Share of Profi					Premises			5 000		-
Las Drawings	7 867 600	12 -	7 267							_
			31 639	ċ	<u> </u>			31 639	÷	=

### EXERCISE II-No 10

Dr

## MESSRS A B C & CO FOR THE YEAR ENDED 31ST DECEMBER 19 .

### TRADING ACCOUNT

To	Stock 1st Jan. Purchases Les Returns Onliverd	£ 10 000 200	5	4	5 00c	-	4	By Sales Less Returns Jawar J	23 000 300	5	d	£	4	d
	Conward	200	Ł	17	9 60n	1	1	. Stock, 31st Dec	-	_		24 700	17	١-
. :	Wages (maniety) Reut of Factory Carriage & Freight on Raw Material Bal, Gross Profit				2 000 250 500 14 650		-	, Stock, Jik Dec				. 500		
			l	ć	32 200	Ξ	Ľ				£	32 200	Ξ	Ξ

### EXERCISE II-No to (contd)

### MESSRS A B C & CO

PROFIT AND LOSS ACCOUNT

Dr FOR THE YEAR ENDED 31ST DECEMBER 19 Cr

•

To General Expenses (trade) Travelling Fxps Office Salar es A Office Salar es A Office Salar es A Debta Reserve Discts allowed Rates Taxes and Insurance Debracasion— Horses, Harness etc. (20 Office Salar es A Debta Called Debt	200 300 300		£ 1 200 600 7 200 400 270 120	# #	By Trading Account Gross Profit De'ts, received Interest received	£	a d	£ 14 6 0 180 120 50	s d
A (3% of £10 000) B (3% of £10 000) Bal — Ar Profit to Cap A/cs— A s share B \$ st are C, \$ share	3 484 3 494 1 742	-	\$ 710 £ 15 909					15 000	

MESSRS	A	B	Сå	co	

LIABILITIES Sundry Cted tors	6	4	1 000 3	4	Cash	10	5	4	4	•
A Bal 1st Jan Add Interest	10 000	1-1	1	Н	Bank Sandry Debtors	6 000	-	-	2 310	1
, Sh of Profit	3 484	Ŀ		H	Less Bad Debts Reserve	600	-	1		ı
Less Drawings	13984	14	12 984	П	Advance on M tgage Stock		П		5 400 2 000 7 500	1
B Bal 1st Jan Add Interest	10,000	F	12 364 -	1	Fixt res& Fittings Less Depreciation	500 50	-	1		1
Sh of Profit	3 484	7		] }	Horses Harness and Vehicles	2 000			450	1
Less Drawings	1 000	4	12 984	! _N	Less Depreciation	200	4		1 800	1
C Share of Profit Less Balance	1742	1-	1 1	1 1	Less Deprec ation	6.000 300	11	1		1
Less Drawings	( )	ł			Freehold Offices		П	1	2 000	13
Int 50	1 5:0	1		U	MI .					ł
50d		-	192	1	Literary Origin				27 163	1

### EXERCISE II-No 11.

### POOLE & CO.

PROFIT AND LOSS ACCOUNT EGS THE WELD WENTER SOTH SHOTHWARD TO

DF	FOR ID	E II	AR E	DED	JUIN SEPIEMBE	K, 15.	-		U.	
To Salames  Commettom  Discts allower  Rent Rates, a  General Exper  Travelling Exper  Deprectin of B  Jat on Cep A  R Poole  B   — Arr Per  B   Coppela    R Poole  B   — Arr Per  Coppela    R Poole  J   R Poole	nd		900 663 1,064 1,660 1,660 872 520 1 026		By Iradiag Account Gree Freit Bacts, received	£	5	N. T. C.	£ 7,510 720	

				& CO BALANCE					
			1	£	s	d '	£		۱ ،
Drawings Accounts-									1
R Poole	•			600	- 1	-			t
F Winchley .	•			800	- 1	- 4		ł .	1
Sundry Debtors	٠		- !	7 360	-	1			l
Mant and Machinery	•			9 252	-	- 1		!	l
Premuses	•			3 000		1 1			
Bank	•			1,189	-	- 1			1
Salaries	•			940	- 1	- 5			1
Carriage	•			450	-	- 4			
Commission .	•			660	-				
Depreciation				1 026	-	1			
Discounts allowed				1 064					
Rent Rates, and Tax	-			1 660	-	- 1			
Wages				5 480	- 1				
General Expenses			5	872	- 1	- 1		1	
Travelling Expenses	٠			520	- 1	- 1			
Purchases				26,720	i	- '	- 6	' 1	
Capital Accounts -					- 1		- 1	- 1	
R Poole .			r	- 1	- 1	ı ı	9 000	- 1	
F Winchley .	-		- 1	- 1	- 1	Ř	9 000	- 1	
Bills Payable .				- 1	- 1	4	1 500	- 1	
Sundry Creditor .				- 1	- 1	- 11	6 204	- i	
Discounts received		•	-1	- 1	- 1	11	720	- 1	-
Sales .	•	•	-11	- 1	- 1	il	35 360	- 1	-
			1-			'!-			_
			1 4	61 734			61 784		

### EXERCISE II No 11 (contd)

## POOLE & CO

LIABILITIES Bills Payable Sundry Creditors Capital Accounts—	£	5	d	1 500 6 204	s	ď
R Poole Balance 1st Oct Add Interest Share of Profit	9 000 450 344					
Less Drawings	9 794 800			8 994		1
F Winchley Balance 1st Oct Add Interest Share of Profit	9 000 450 344			0 554		
Less Drawings	9 794 800			8 994		
Asset.			Ì	£25 692		
Bank Sundry Debtors Stock Plant—Ner Premises				1 180 7 360 4 900 9 2 2 3 000		
				£25 692		_

Dr FOR THE YEAR ENDED TOTAL	
To Purchases Carnage Wages of Workmen Bal —Gross Front 40 260	ales ooth 70th Sopt 4 900 4 40 260

### EXERCISE II-No 12.

## MESSRS H OAKLEY & W DENHAM

Trading and Profit and Loss Account

Dr FOR the Year ended 31st December, 19.

To Stock 1st Jan  a Purchases Carriage Weges Bal Gross Profit	E	10 910 5 3 31 038 10 7 1 006 2 9 7 930 1 4 9 010 5 3	By Sales Stock, 31st Dec.	Es	45,230 2 10 14 725 2 6
To Salves and Taxes Reteased Taxes Reports General Fars Reports Office Expenses It sursure Int on Mortgage (4 yr at 5% of 14 son added to 15% of 15%	450 =	550 9 11 251 9 11 1 040 17 2 537 13 1 104 5 3 191 11 4 225 425 10:	By Teading Account Gross Profit Interest and Dis count		90in 5 3 43 12 1
Fixtures & Fattures (6° of (3 600) "Int on Capital 4/o H Cykley (5° of (10 000) W Deuham	500 -	666		1	
(5°, of 19 000)	450 -	950			
I and provided  [7]* oil 4 311/1077  Bal Ner Profit to Capital A/cs H Oikles   sh W Desham   sh	1 994 1 8 1 994 1 8	3988 3 4			
1		£91159 17 4			C9 053 17 4

### EXERCISE II-No 12 (contd)

## MESSRS H OAKLEY & W DENHAU BALANCE SHEET AS AT 31ST DECEMBER 19

Liastiries Bink Overdraft Bills Payable Sundry Creditors	٤	1	2 437 2 402 13 802	8 2	Assers Cash in hand Sundry Debtors Less Bad Debts	£ 8 510	•	4	1 472	5 14	7
Mitgs on Premises Int due on Mortgs	4 500 112		1 612	$\Pi$	Reserve /	425	10	-	B 084		-
Reserve Fund Add Transfer from Profit and Loss	1000				Machinery & Plant Less Depreciation	6 000 458	-	1	5 550		
Capital Accounts—		H	1 373	7 3	Fixtures & Fittings Less Depreciation	3 600 216	-	Ц	3 354		_
Bal let Jan Add Interest Sh of Profit	19 000 1 994	Ш			Freehold Presuses				13 100		-
Less Drawings	12 494 1 767		10 725								
W Denbam Bai ist Jan Add interest , Sh of Profit	9 000 4:0 1 994	,	8								
Less Drawings	11 444	10	9 961	nı s				1		I	
		Ħ	49 316	7, 1		1		£	45 316	7	1

### EXERCISE II-No 13

### LEDGER

(Dr	SIDE)	H	Shepherd s	DRAWINGS	Accous
				(1	

		 Months	Ie	teres	t	Arr	ount	
Feb 1 Apr 1 June I Aug 1 Oct 1 Dec 1	To Cash , Interest	11 9 7 5 3	2311111	5 15 9 5 4	d 10 2 10 2	50 100 50 50 100 50 100 50	5 1 1 1 1 1 1 1	d

#### EXERCISE II-No 13 (contd ).

(Dr SIDE) G ELKINGTON'S DRAWINGS ACCOUNT

			 1	Months	1,	iteres	t	Amount			
19, Feb 1 Mar 1 May 1 June 1 Aug 1 Sept 1 Nov 1 Dec 1	To Cash	:::::::::::::::::::::::::::::::::::::::		11 10 8 7 5 4 2	1 1 2 1	\$ 2 11 1 9 10 12 10 4	d 11 3 8 2 5 6 5 2	25 37 62 50 25 37 62 50 8	10 10 10 10 10 2	d	

#### MESSRS # SHEPHERD & G ELKINGTON TRADING AND PROFIT AND LOSS ACCOUNT LOD THE YEAR ENDED 31ST DECEMBER 10.

Dr F	OR THE Y	EAR ENDED	SIST DECEMBER	19	Cr
To Purchases " Carriage & Freigh; " Wages " Bal , Gross Profit		255 4 7 1 304 2 6 8 089 17 -	By Sales , Stock 31st Dec.	٤.	d ( s d ) 3 750 10 2
	1 11	13 906 10 7			13 506 10 7
To Salaries , Taxes & Insurance , Rents , General Charges		437 10 224 12 8 525 7 6 108 2 2	By Trading Account Gross Peofit , Interest on Draw and Accounts		H 089 17 -
", Repairs and Depre ciation ", Int and Disct ", Partnership Salar (Due to G. Elking		212 5 7 250 3 7	(as above Ledger Accounts)— If Shepherd G Elkington	10 8 2	6 18 Z 6
ton)  " Int on Cap A/cs  H Shepherd  (5°, ol (4 000)  G Flammton	200	100 -			
65° a of £1 000; Bal —Nev Profit to Capital A'es	50 -	250			
Il Shepherd share G Fixington share	2 983 19 1 2 983 19 1				
		£8 107 19 6			r8 107 19 6

#### EXERCISE II- No 13 (contd)

#### MESSRS H SHEPHERD & G ELLINGTON BLANCE SHEET AS AT 31ST DECEMBER 19

Less Dra- (as Led, G Elkingto Balance Add Inte Sal- Sal- Less Dra-	ors	6 1 4 Assers 64 19 9 Cohan hand 4 1 A 4 Sandry Debters 100 7 1 Bendena York  6 779 15 11  5 781 10 7  1 7 70 5 10	d 505 2 d 655 8 6 575 1 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
		LEDGCR.	
	E II-No 14		
Dr		BAD DEBTS ACCOUNT	Cr
(a) Dec 31 (b) Dec 31	To Sundries Sundries Bad Debts Res	630 10 6 (a) Dec 31 By Profit and Lot 630 10 6 (b) Dec 31 Bad Debts Re 723 3 10 31 31 Profit and Lot	630 10 6
Dr	Bap	DEBTS RESERVE ACCOUNT	C+
(b) Dec 31	To Bad Debts	f   d   19   By Balance   Profit and Loss   Balance   Ba	723 13 6 723 3 10
Dr	P	ROFIT AND LOSS ACCOUNT	Cr
(a) Dec 31 31 (b) Dec 31	To Bad Debts Res To Bad Debts	£ 1 J J 650 10 6 92 13 4 723 3 10	
	BALAN	CE SHEET 31st December 19	
		Assets, (a) Smadry Debtors Less Bad Debts Reserve	16 368 16 3 818 8 10

#### EXERCISE II-No 13 (contd.).

(Dr sine)	G	FLKINGTON'S	DRAWINGS	ACCOUNT

			Months	1:	ntere	st	An	ount	_
19 Feb 1 Mar 1 May 1 June 1 Aug 1 Sept 1 Nov 1 Dec 1	To Cash	:	11 10 8 7 5 4 2	1 2 1	11 1 9 10 12 10 4	111 38 22 56 5	25 37 62 50 25 37 62 50 8	5 10 10 10 10 2	d

	TRAD	170	3	AND E	R	)FI	RD & G ELKIN T AND LOSS ACCO SIST DECEMBER	UNT	N		C*		
To Purchases , Carriage & Freight , Walter , Bai , Gross Preds	6	1	4	3 8×7 2×5 1 304 8 089	6 4 2 17	6 7 6	By Sales	6		4	9 758 3 750	10	-
To Salanes , Taxes & Insurance , Rents , General Charges , Repursand Depte cuation , Int and Disct , Partnership Salary (Due to C Elking top)				457 224 525 108 232 250	12	6 6 2	By Trading Account Gross Profit Interest on Draw ing Accounts (as above Ledger Accounts) H Shepherd G Elkington	10 8	2	61	B 089	17	6
In Int on Cap A/ss H Shepberd (3% of £4 900) G Elkington (5% of £1 900) Bal.—Nerr Profit to Capital A/cs H Shepberd † share G Elkington † share	200 30 2 989 7 989	[°.]		250			٠			-		-	
T ALALE	-	H	Ė	5 979	-		Į.	J	J	Į		4	_
		ΙI	- 1	€8 107	19	6	- 1	- 1	- 1	-8	r8 107 1	19	6

### EXERCISE II-No 13 (contd )

#### MESSRS H SHEPHERD & G ELKINGTON B LANCE SHEET AS AT 31ST DECEMBER 19

Landitries Ent. Parable Ent. Parable Ent. Parable Ent. Parable Ent. Parable Ent. Parable Dalmer, in: Jin Balmer, in: Jin Call Enteror Ent. Jin Ent. Drawner (as Ledger A/c) Ent. Drawner (as Ledger A/c) Les Drawner (as Ledger A/c)	14 boc 200 2 959 15 1 7 189 18 1 470 1 1 000 50 100 100 14 159 19 1 4 159 19 1 3 8 12 6	664 1 3 9 9 4421 3 7 1 1 6 7 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Assert Cash in hands Sundry Debi Stock Prient and T. Bu ld gs	ors	a d	665 4657 3750 1437 2500	2 11 5 6 8 4 5 5 10 5 10
	1110				111		
EXERCISE II			GER S Accoun	r .		Cr	
(a) Dec 31 To Sun (b) Dec 31 Sun 31 Bad	dries dries Debts Res	630 t0 6 630 10 6 723 3 10	(a) Dec 31 (b) Dec 31 31	By Profit and Bad Debt Profit and	ı Res		10 6 L
Dr	BAD A	PERTS RE	SERVE ACC	TRUO		Ć,	
(b) Dec 31 To Bad	Debts	£ s, d	(a) Dec 1 (b) Dec 1 31	By Batance Profit and Balance Bad Debts	Loss	725 9° 1 725 723	13 4
Dr	PRO	FIT AND	Loss Acco	UNT		Cr	
(a) Dec 31 To Bac (b) Dec 31 To Bac	Res I Debts	630 10 6 92 13 4 723 3 10					
	BALANCE	SBEET :	31st Decemb	er 19			

34

EXERCISE II-No.	15.				
Dr.		Bad	DEETS	Accourt	

 $C_{r}$ 

 To Sundries . To Sundries Profit and Loss		By Profit and Loss By Bad Debts Res	£ 15 62 15 14 14	10
	 			_

Dr	BAD	Deers Re	Cr				
(a) Dec 31 To Pro (b) Dec 31 To Bed				By Balance		268 268	- 1

(8) Dec 31 To Bad Debt	62 15 10 (a) Dec 1 By Balance .	268 16 7
_ Dr	PROFIT AND LOSS ACCOUNT	Cr
19 Dec 31 To Bad Debts	62 15 10 (a) Dec 31 By Bad Debty Res.	6 <sub>77</sub> s d

BALANCE SHEET 31st December 19 .

		Assers (a) Sundry Debtors Loss Bad Dubts Reserve	3 %26 191	1 13 6	308
		(b) 4c 4 ··	(361)	6	10
EXERCISE II-No 16					_

Dr	BAD DEBTS RESERVE	Account Cr
	To Profit and Loss 56 10 6 (a) Eq. (b) C4	

(8) Dec. 31	To Bud Debts	56 10 6 (8) Ch	55 10 6
Dr	BA	DEBTS ACCOUNT	Cr
19 (b) Dec 31	To Profit and Loss	£   1   4   19   19   19   19   19   19	£ x 4
D.,	Donn		· ·

(a) Dec 31 To Prof (b) Dec, 31 To Bud		£ 1 4 56 10 6 58 10 6
Dr	Bad Debts Account	Cr
(b) Dec 31 To Pres	fit and Loss   f   s   d   19   By Bad Debts Res	£ 10 6
Dr	PROFIT AND LOSS ACCOUNT	Cr
	19 (a) Dec. 31 By Bad Debts Res (b) Dec 31 Bad D bts	£ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$

#### EXERCISE II-No 16 (contd) BALANCE SHEET 31st December 19 Acture (a) Sundry Debtors (b) As A EXERCISE II-No 17 DISCOUNTS ALLOWED ACCOUNT Cr 163 17 8 (4) Dec 31 | To Sundr es 7 8 (a) Dec 31 By Profit and Loss 163 17 8 163 17 8 (b) Dec 31 | To Sundries (b) Dec 31 By D set Reserve 192 2 8 $C_{\tau}$ $D_r$ DISCOUNT RESERVE ON DEBTORS ACCOUNT 170 15 6 Profit and Loss (b) Dec 31 To D sets, Allowed 175 13 6 163 171 81 By Balance " Disch Allowed $D_r$ PROFIT AND LOSS ACCOUNT C, 163 17 31 6 To Discis, Allowed Discount Reserve (b) Dec 31 | To D sets Allowed 195 5 BALANCE SHEET 31st December 19 4 361 10 11 (a) Sundry Debtors Less Bad Debts Res [218 1/7 D scount Res [207/3/6 425 5 1 Z3 936 L \$ 10 (b) As A" EXERCISE II-No 18 DISCOUNTS RECEIVED ACCOUNT C D 110 16 6 (a) Dec 31 110 16 6 (a) Dec 31 By Sundrats To Profit and Loss 110 16 6 (8) Dec. 31 By Sundries 113 19.11 Decount Reserve 110 16 6 (b) Dec. 31 To Discount Reserve Propt and Loss Cr Dr DISCOUNT RESERVE ON CREDITORS sla (a) Dec. 1 120 18 6 3 3 5 To Balance Profit and Loss

123 10 6 6 Dec. 31 By Darts Rece ved

1 To Balance

Discis Received

110 16 6

#### EXERCISE II... No. 18 1008/61

Dr	PROFIT AND LOSS ACCOUNT	C+
	[a] Dec 31 and Discount Received 31 and Discount Received by Dec 31 by Discts. Received	1 1 4 110 15 6 3 3 5
	BALANCE SREET 31st December 19	

BALANCE SREET 31st December 19	
(a) Sundry Consultres (b) Sundry Consultres (c) Sundry Consult Reserve (c) 123 13 11 12 12 13 14 12 15 15 15 15 15 15 15 15 15 15 15 15 15	Ī

#### EXERCISE II-No 19. DISCOUNTS RECEIVED ACCOUNT Ur 19 (a) Dec 31 To Profit and Loss (4) Dec 31

Dr	Discor	NT RESERVE ON CREDITORS	c.
19 (e) Dec 1	To Balance , Profit and Loss	60 13 A (c) 001	6 1
(b) Dec 31 31	To Balance Discis Received	180 123 8 (6) Dec. 21 By Discis. Reco	nved (87 (6

Dr	PROFIT AND LOSS ACCOUNT	C
	(a) Dec. 31 By Dects R Decount	

#### BALANCE SHEET, 31st December, 19

Last Discount Reserve . [6 608 10 11]  Less Discount Reserve . [6 608 17] 8				Ī
---	--	--	--	---

D,		BAD DEBTS ACCO	UNT	C+
19 Dec 31	To Sundries	1 000 3 4 D c 31	By Profit and Loss	1 000 5 4
Dec 31	To Sundries	1 100 Dec 31	By Profit and Loss	1 100
Dr		BAD DEBTS RESE	RVE	Cr.
)9 Dec 31	To Balance c/d	1 (Za s d 19 Jan 1 Dec 31	By Balance Profit and Loss	850 265
19 Dec 31 " 31	To Profit and Los Balance c d	171 9 19 171 9 Jan 1	By Sa ance b d	1 125
		£ 12	By Balance b/d	9 0 11
Di	, 1	PROFIT AND LOSS A	CCOUNT	Cr
19 Dec 31	To Bad Debts Bad Debts Rescric [Add t onal amour to ra sa reserve t 75% of £(0 000)	11 II II		£ 2 d
Dec 31	To Bad Debts	1 100 Dec 31	By Bad Debts Reserve (Amount cred ted to reduce reserve to 72% of £12 674)	174 9 -
EXERC	ISE II—No 21	JOHN COMBIN		
$D_i$	FOR THE	YEAR ENDED 31st I		Cr
Pun Rai U a	ance Gross Profit	12 000 1 1		£ s d

EXERCISE II-No 20

#### EXERCISE II-No. 21 (contd).

# JOHN COMBINE PROFIL AND LOSS ACCOUNT

				_
Dr FOR	THE YEA	R EADER	31st DECEMBER, 19	Cr
O Rent Rater & Taxes Travellur Expenses Office Expenses Repairs to Plant Dricount on Sales Bed Debts (written off tha year) Interest on Back Drivectation Provectation [10's of 2000] [10'	111	200 - 200 - 207 1 8 4 3 5 4 2	By Treian Account— Gross Petch to Duckson Petch to Bull of Reserve Late Law Reserve Late Law Reserve (5% of §3,800-§400) 115	3 100 - 400 - - - - 345 -

#### JOHN COMBINE

BALANCE	SHEET	AS	AT	31st	DECEMBER	19	

Liabilities. The Consol dated Bank Co Bills Payable Sundry Creditors	É		4	400 500 2,330	s -	-	Assirra, £ s d £ 200 L d Palls Receivable Sandry Debtors £ 3 500 L	
Capital Account— Belance, 1st Jan, Add Capital intro- duced 1st Dec.  lot on above  Profit for year	4 500 500 227 1,087	1 18	8 4				Bad Debts   155   355     2,945	
Less Drawings	6 313 508	5	-	5,815 £9.045	-	-	[9 045]	

#### EXERCISE II-No 22 VIESSRS BLACK & WHITE

#### TRADING AND PROPIT AND LOSS ACCOUNT

FOR THE YEAR EXDED 31ST DECEMBER 19 Dr

H . I I.U . I I

To Stock 1st Jan , Purchases , Wagesimmnicta ) Dal Gross Profit	£	1	3 093 16 430 2 150 6 425		By Sales Stock 31st Dec	£	3	d	24 800 3 225	-
			28 025	13					78 025	
To Salaries , Rates and Taxes Trade Charges , Bad Debts Rey			8,25 325 400	=   -	B) Trad ng Account Gross Profit				6 425	1
(5% of £13 100) Less Old Res	633 600		55	11			1	Н	1	1
Int on Loan A/c ( [4]% of £3 000), Depreciation—			22.)				1			}
Plant & Mch rv (		Ш	290	-1-1			1		1	1
written off) Int on Cap A/cs			400	11	1		П			
(5% of £0 000)	250	П	l l	11	( )					1
(5° a of £2 000)		H	350	1.			1	Н		1
gai — Net Profit to Capital A/ca Bl ck. 4 share	1 #25	Ш.	į į	Ш	1		1	H	1	
Mp to   Pas	1875	13	3600	11	1		U			þ

#### MESSRS BLACK & WHITE

BALANCE SHEET AS AT 31ST DECEMBER 19 .

Livetrities Loan Account Sun ley Cred tors Capital Accounts	£	\$	4	5 2°3 15 343	-	ď	Assets Bank Sundry Debtors Less Bad Debts	£ 13100		à.	1 200	5	
Black But 1st Jan Add Interest Sh of Profit			-				Reserve, Stock Plant Less Depreciation	4 000 200		-	12 445 3 223	-	
Less Drawings  White Bal list Jan Add Interest Sh of Profit	7 075 550 2 000 100 1 875		- -	<b>6</b> aQa		-	Premumo Lesse Less annual and written off Psechold Land and Buildings	2 400	-	-	2 000 8 000		
Less Drawings	3 925 300	-	-	3 57.0	-	-					٠		
			4	33 670	E	3				E	30 670		-

#### EXERCISE II-No 23

See Advanced Accounts, page 981 (under appropriate heading)

#### EXERCISE II-No 24

#### MESSRS SLANDER & BACKBITE

Dr F	OR TH	E	YE	AR E	ID.	ED	31st DECEMBER	, 19.,			Cr	
To Strick Ist Jan	ŧ		4	ر 342	-	4	By Sales and Sub	í	3	4	í	•
Purchases— Paper Ink	2 229 88	-	-	2000			Sales (Job Dept )	4 852 848	L		.70	
, I it Contr butions , Reporters Salar co Comps Wages		Γ		799 2 035	Ū	H	Advertisements (Receipts) Less amt paid	6 290	Г	П	370	I
Machine & Engine room Expenses			Н	242 264	1	1	to advance Stock 31st Dec	750	•	Ŀ	5 540 381	4
, Bul —Gross Profit	}			4 731	3	E	310/2 3131 2-60	1			11 621	_

D7 1	FOR THE Y	EAR ENDE	31st DECEMBE	R 19		Cr	
To Office Salaries	2 2 3	£ 10 a	By Trading Account	é	1 4	٤	,
, Rates Taxes &Gas lasurance Postages Exps of Bch Oifice		50 34 182 129	Gross Profit Bad Debta Res, 1st Jan Less New Pro	430		4 734	1
, Audit Fee , Stable Expenses , Law Charges	11	52 121 124	VISION (S <sup>6</sup> of £8,440)	422		8	
Commissions Bank Interest Trade and Inci	i li	152 37 10			11		1
Bad Debts Debecasion		82 142 -			11		1
Plant (10% of £4,400) Type	440	111	! !		10		ı
(20° of £2 900) Horses & Carts	350 -		!!!		18	- [	ı
(10°, of £194) Bal — Ner Profit	19 8	1 039 8 -	İ		11	- 1	ı
to Capital A/es (§ of (1,849/2/	110	1 849 2			и	- 1	1
(o each partner)	111	£4 742		- 1	1	4 742	t

#### EXERCISE II-No 24 (contd)

#### MESSES SLANDER & BACKBITE BALANCE SHEPI A: AT 31ST DECEMBER 19 .

Lianniries Bank Over traft Add Int accrued	1 576 37 10	£	5 4	Assets Cash Soudry Debtors Less Bad Debts	£ 8 440	3	457	3	d
Sundry Creditors Advt paid in advance		862 750	3 1	Reserve	672		8018		(_
Capital Accounts Slander Bal 1st Jan A44 Sh of Prof to	9164 -			Stock Plant & Warh nerv Less Depreciation	4 400 440		3960	П	Ī
Las Drawings	10 788 12	9 748		Type Less Depreciation	2 900 580		2 370		-
B B ckbits Bal Int Jan Add Sh, I rofit	7 540 924 (11	9 148		Horses and Carts Less Depreciatio Freehold Works	19 4 9 50	8	174	12	-
Less Drawings	8 464 11 - 932	7 512	,, -	Add Fxtensions during )ear	150	-	5 100	-	-
		20 410	12				20 410	12	=

#### EXERCISE II-No 25

#### JOURNAL OF W JONES & CO JOURNAL ENTRIES FOR ADJUSTMENT

	JOURNAL ENTRIES FOR ADJUS	tuevis					
19	(a) Machinery and Plant A/c To Purchases A/c	£ 450	s	ď	£ 450	5	d
	(b) G Smith To Bad Debts Recovered 1/c	15	12	8	15	12	8
	(c) B Brown To Allowances A/c	10	4	8	10	4	8
	(d) Returns Inwards A c . To R Robinson	52	1	4	52	1	4
		£527	18	8	£527	18	8

#### EXERCISE II-No 25 (contd.)

#### STATEMENT OF ADJUSTED PROFIT

		Dr	Cr
19.	Balance as per Profit and Loss Ale (a) Reduction of Purchases (b) Reduction of Altonances (c) Reduction of Allonances (d) Adjustment of Sales to Nex amount Total Creams of Profit & Loss Ale Less Deads seen of P and 1. Ale Actual Profit for year	£ s d 52 1 4	2.481 6 450 - 15 12 10 4 2 957 3 52 1 £2 905 2
EXER	CISE II—No. 26 PUBLICATION OF BOOKS	ACCOUNT	Cr
Year 1	Printing 300 Bin ling 100 100 100 100 100 100 100 100 100 10	Siks   a (2009) open@5(- 5tock at Cost (900 × 300)	500 r 90 -
	Profit on Sales 190 ~	( 3,000 )	
Year 2		, ,	(590 - 221 - (225
Year 2	Profit on Sales 199   19	Stiles 1 a (900 Copies & V a	221 -

Dr			ROYALTIES	ROYALTIES ACCOUNT						
	To Author				By Publication of Books By Publication of Books					

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PROFIT AND LOSS ACCOUNT FOR THE VEAR ENDED 31ST DECEMBER 19 H FRANCIS

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EXERCISE II-No 27 (contd)

	19 ,
H L'RANCIS	TOWN CORET AS AT 31ST DECEMBER

- 1	4		. E	- 2	9_	;	<u>:</u> _			~	53	۳.	4	4
1	Ŧ	257	123 13	3 892 14	4 247		Š			1548	2 171 13	2	(12 551)	1
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ŀ	, es	- 9	7	77	-4		8	7	27.	0			_	-
	42	242 16	4 382 14 11	200	848 61.48			250	1 692 12	*			_	
. 19 .	Assers	• •		bts Reserve		ation	hnery .	chine		atica	ings	trance		
BALANCE SHEET AS AT 31ST DECEMBER 19		Cash Bank	Bills Receivable Sundry Debtors	Less Bad Debts Reserve	Stock .	Less Depreciation	Plant and Michinery	Add New Machine	,	Less Depreciation	Land and Burldings	Unexpired Insurance		
4	5	=					4			_		_	6	1
\$5	47	7			_		5,			_			14	
SHEET	1 492 14 11 1 0t2				10 046								12 551	
M	B			4	FF	4.1	T	_		_	_		4	Ī
ž	8			0		00 1	T						_	
BAL	3			10 000		10 486				_			_	_
	LAPINITES	Sundry Creditors fincluding Purchase of Machine	unpaid) L A Francis (Loan Account)	Capi at Account. Balance 1st Jan	Add Front for year .	Less Drawings.								

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#### EXERCISE II-No 28

Dank and Danks Account on Rivey Boos

Dr	KEYI XAD	KXIES ACCOUNT O	- Miles Daos,	Cr	_
1938 Jao 1 Mar 29 June 26 July 7 Sept 30 Dec 28	Rates prepaid Rent for Christmas Rent for Ludy Day Rates to 30th bept Rent for Midsummas Rent for Christmas Rent for Christmas Rates owing c d	£ a d 1936 9 Jan 1 90 Dec 31 90 Dec 31 90 0 40 8 11 £603 7 4 £937 1937	Rent outstanding L A, Bance to P and L A,	£ 90 513 2	7

#### EXERCISE II-No 20.

RENT AND RATES ACCOUNT OF A LIMITED CO. Cr Dr 1933 1933 July 1 Sept 30 Dec 31 1934 Rates prepaid June 30 Rate prepaid Balance to P and L Reat 30 Rent Mar 31 Rept Jane 30 Rent 500 30 Kates 610 3 495 3,495

Note the quarter's Rent to June 1903, does not apply to the year under review. Although pard on 10th July that amount is delvised to Landbord's Account, the Rent Account including the June quarter will have been transferred to Profit and Loss Account for the Pac- ended June, 1933.

# KEY TO ADVANCED ACCOUNTS

EXERCISE II	No 30 JAMES	THOMPSON FIT AND LOSS ACCOUNT ENDED 30TH JUNE 19	
To Stock 1st Jan Wages Royalty Coals Candles and Ont Powder Ropes Timber Bal Gross Profit	£ 4 850 12 64 5 500 12 634 5 500 12 634 5 500 12 63 12	1	Cr
To Carr go & Freights Salor es Salor es Rentes Rates and Tares Rep irs In nk Charges D sets allo red Damages for Breach of Circt Reserve for Bad Debts (amount prov ded) Discount Reserve on Debtors	913- 939 2 339 2 309 - 200 - 8-0 - 100	By Trading Account Gross Profit D sets Story D set at the set of t	15 311 75
(21% of 6 300 [445] Depression— I lantand Muh; (3% of £3 52, for 6 mentl 3; Le se (proport on written off to ex- tinguishin layr if Bal — Ast Profit to Capital A c	146 7 6 88 1		
	JAMES THO	PUPSOV	15 586

JAVES THOUPSON  BALANCE SHEET AS AT 30TH JUNE 19
Supply Centure   Supp
,

#### EXERCISE III No 1

#### JOURNAL OF A, B, and C

{a}	Depreciation To Shop I strings etc	Dr	£ s d	£ s d
(b)	A & Current Account To Wages Account	Dr	3 10 -	3 10
(c)	Advertising To Stock Account	Dr	42	42
(d)	Interest Account To As Capital Account ,, Bs Capital Account ,, Cs Capital Account	Dr	1,600	450 350 200
	SE III-No, 2.			_
Dr.	Discourts Re	CEIVED ACCO	דאים	Cr
19 (a) Dec 31	To Profit and Loss 57 12 2	(d) Dec 31 B	y Sundries .	57 12 d

# 

(a) Dec 1 To Bolance   6 1 4 19 (a) Dec 11 By Profit and Loss		
(b) Dec 31 To Balance 102 9 5 (b) Dec 31 By Discis Received 30 12 10 (b) Dec 31	57 1°	4 2

$D\tau$	PROFIT AND LOSS ACCOUNT	C+
19 (a) Dec 31	To Discount Reserve 23 19 4 (4) Dec 31 By Disch, Received 09 Dec. 31 . , ,	£ 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

#### BALANCE SHEET 31st December 19.

Liabilities Sundry Creditors Less Discount Reserve	5 500 18 19 5 500 18 19 133 19 5 £5 200 8 3	
--	--	--

#### EXERCISE III- No 3

	JOURN	AL.		
(a)	Discount Account To Suspense Account	Dr	£ 1 5 3	$ \begin{array}{c c} t & s & d \\ \hline 1 & 5 & 3 \end{array} $
(b)	Suspense Account To Wages	Dr	9 -	9
(c)	Suspense Account To Sundry Creditors	Dr	4 15 -	4 15 -
(d)	Sales Account To Suspense Account	Dr	1 1	1

#### EXERCISE III-No 4

 $D_{r}$ Cr SUSPENSE ACCOUNT To Balance Sales Cash Purchases By Discount Customer Ce eral I zpenses

#### EXERCISE III-No 5

Bank Overfixat   Lova Note in	Freebold Pretaises	117 1 2 4 117 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2
		167 300

#### EXERCISE III-No 6.

#### JOURNAL Adjustment Entries

	,		
(1)	H Carver To Suspense Account .	Dr	£ 15 d £ 5 d 22 15 -
(2)	Plant and Machiners To Purchases Account	D+	350 350
(3)	Suspens Account To Returns Inward	Dr I	91 91
(4)	Salm Account To Susprise Account	Dr ,	68 5 -
	Net Profit Add Purchases wrough charged , Returns Inward Over-cast		350t J J 3 553 17 I
	Less Sales Over-cast .		441 372 15
	Adjusted Net Profit		13 926 12 1

#### EXERCISE III-No 7

#### JOURNAL

Bad Debts Reserve To Ead Debts	Dr 52	5 d	£ s d 92 7, 6
Sundry Creditors To Ead Debts Reserve	Dr 1 8	15 -	8 15 -
Profit and Loss Account To Bad Debts Reserve	Dr 108	12 6	108 12 6

D+	BAD DEB	rs Reserve	Account	C+
To Bad Deb.a Balance old	42 100	7 6 1	By Parane Sundry Gred Prost and L	73 tors 8 13 58 198 12
1	(192	7 6	1	£192 · 7

#### EXERCISE III-No 8

Difference in totals of Trial Balance as stated (a) Amount omitted from list of credit balances (b) Amount required to be delated to Dettor to cornet posting of £3 15c cash received as £3 13c (c) Allowance delated to credited to Returns Outwards through Returns Outwards Book (d) Amount required to be credited to Discounts delated to the technique of the credit delated of that account instead of the credit	£ 38	s 9	d 3	5	s 9	6
	£40	7	3	40	17	3
Difference still remaining	£40	10	3	 /40	17	3

EXERCISE JII.—No 9 (a) Gross Profit on Sales = 
$$\frac{1709 \times 100}{5100}$$
 =  $33\frac{1}{3}\%$  (b) Gross Profit on Cost of Goods Sald =  $\frac{1700 \times 100}{3400}$  =  $50\%$  (c) Net Profit on Sales =  $\frac{1020 \times 100}{5100}$  =  $20\%$  (d) Expenses on Cost of Goods Sald =  $\frac{680 \times 100}{3400}$  =  $20\%$ 

#### EXERCISE III-No to

The books used in the Counting house of a City Warehouseman are as fallows-

(1) Ledger (2) Cash Book

(4) Sales Book

(3) Purchases Book

(5) Bills Books (6) Returns Books

The Ledger is of essential importance

Note -The Cash Book proper is part of the LENGER

#### FXERCISE III-No 13

See Advanced Accounts pages 290 and 291 for example of Cash Book

Š 52

EXERCISE HI -- No 13.

EXERCISE III-No. 13 (could).

MESSRS A MACADAM & J WESTRIA

	1_4			<u> </u>	<u> </u>			
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	~	719 13	1,516 17	932 17	4,836	13	100	200
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Ä	ء_ ّ ا	Sundry Debtors	Stock Thut an I Machinery Less Depresation	1 and and Buildings	Rite. Insurance			
ž	Cash in hand	Ş.	25	. = ž	Kites Insurance			
5	-	- 6	Ęź	76	\$ 12			
-	- £ 5	뉳	Start.	3.5	Rite			
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DALANCE SHEET AS AT 31ST DECEMBER 19	~ 2				+		25 TO	j-
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	LARRETTES Hours	Ε.	tive Accounts— igns Ma 4d m Interest on Lapital Share of Prost		An Westrum Interest on Capital Partnership & ilvra Share of Profit			ı
- 11	2 5 4	ŝz	tire Accounts igns Ma 44 in Interest on Cap	Ę.	≋	100		- 1
	1 # 8	2 5	2.442	ž	1045	ě		J
- 11	85	35	1 2 2	Ď	H Sept 1	á		
ш	55	дикиз плас галт Јони П'езтин	Angus Accounts— Angus Ma 1d m Interest on Lap Share of Prost	Less Driwings	John Westrum Interest on Capital Partnership & Urrs Share of Profit	Less Drawings.		
ш	Sundry Creditors Capital Accounts—	2%	Draune Accounts— Angus Ma 14mm Interest on Capu Share of Prost		~			ì
	200		7					- 1

#### EXERCISE III-No 14

Instructions sugaested are-

(a) The clerks responsible for Inwards Invoices etc should be careful to analyse items under appropriate headings viz [1] Capital or (2) Revenue (b) The clerks should make strict inquiries as to whether values stated in

monces with regard to stocks materials etc. are to hand (c) When examining invoices care must be taken in dealing with charges for boxes or packages which may be returnable so that such items can be properly accounted for in the Trading Account.

(d) Clerks must exercise care with regard to proportional amounts re Wapes Rent Insurances etc o that the exact amousts chargeable against the accounting period are brought into account.

#### EXERCISE III-No 15

# NORMAN LOCKILL PROFIL AND LOSS ACCOUNT

D, FOR	THE	YEAR E	DE0 31	ST Dreises 19	Cr
To D scounts all ed P re Insurance Les sunt prepa d Canetal Expenses Salarre Re t Rates d Taxes Dipt eng dan ed to the Canetal Expenses Salarre (10° of 17 6 kg)  Bat Debts Rek no. (3° of 17 6 kg)  Bat Debts Rek no. (3° of 17 6 kg)  Intree ton Cap tal (5° of 15° by))  Bat nee—Axr Profit to Cap tal 4/c	£ 4 90 70 100 764	1 57° 040 070 070 070 070 070 070 070 070 070	5 d B	Toda 4c 0 i Gross Froit Reuts seces ed	11 242

#### NORMAN LOCKELL

Dr	FOR TH		31st December	19		Cr	
To Stock 1st Jan "Pircha es "Wio s of Work men Bal —GrossPr	33.	9 570 25 380 11 78 11 74	By Sales  Less Returns  Inwards  5 ock 31st Dec	## 970 3 190	s d	£ 11 790 16 174 57 9 4	r de

#### EXERCISE III-No 15 (contd.)

#### VORMAN LOCKELL

	BALANC	z Se	EET AS A	т 31 ст Дескиве	R 19 .	
Bank Lain (includes	. (		£ 4	Cash Asset,	£	1 4 1 c 4
Falls Pavable Sindry Creditors		1	4 100   5 143   1	Buls Reconsable Study Del tors Lest Bad Debts	13,204	
Cantal Account— Balance 1st Jun A44 Interes	21300			Roserve	661	8 - 12 547 17 15 174
Net Profit fo	1000	12 .	- 11	Conseguments Last Advances	1,910	181/1
Les Drawers	25.847	12	- 11	Plant & Muchaery	7 640	800
		-1	27 210 12	Pregnature	7N 6 0u0	6,976
				Less Depreciation	100	5 920
			61 175 12 -	Chespured Coststance		44 172 12

#### EXERCISE III-No 16

 $D_{\tau}$ 

#### GREEN RICHARDS & CO

TRADING ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER, 19...

. Balance Gross Profit	3013, 4 4	By Siles Stock 31st Dec	73 483 10 10 8 316 19 10 8 81 800 10 9

30 290 121 12

#### EXERCISE III-No 16 (contd )

Dr

#### GREEN RICHARDS & CO

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 19 Cr

To Salares of Staff Office Expenses Discount to Learn Discount to	€00 350 250	S 6	618 493 394	11 3 10 4 2 6 18 9	By Tred as Account Gross Fredit	£	\$ 9 600 \$ 600	
В	ALANO				HARDS & CO Sist December	19		
Lean bit wa Loans Bis Payable Sundry Cred tors Cap tal Accounts— J Green Bat 1st June Ad Interest	8 000 400	g a	\$00 918 4 726	4 4 10 11 15 2	Assatzi. Cash Bank Bilis Rece vablo Sundry Debtors Les Bad Debts Rese ve	£ 16 14 1029 17 5 162 11	1 048	
Salary Sh of Profit  H Richards Bal let Jan Add Interest, Salary Sh of Profit	7 000 350 500	1	9 416		Less D act Res Stock Machinery Less Dop ediat on	5 06° 11 18° 11 10 000 750	1 6 4 879 8 316	19 7 19 10
R Eve tt Bal 186 fan	5 000	11	# 366	18]11	Prope ty-Works Less Dep coat on	6 500 16° 10	230	

# EXERCISE III-No 17

Criticisms of Balance Sheet offered are as under-

(o) The statements of Assets and Labelines are on the reverse sales to those usual in practice.

(c) The statements of Assets and Fratt and Loss Assemits should have been deteit with through appropriate accounts, and on those through the Assemble 
Lite correct form of Balance Sheet 13 displayed below-

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10001	1077		
			,
			1

#### EXERCISE III-No 18

#### JOURNAL OF BLACK & BROWN JOURNAL ADJUSTMENT ENTRIES

19	(a) Buildings Account To Repairs Account	198	s d	199	s d
	(b) Jas Smith To Allowances Account	18	2 4	18	2 4
	(c) Machinery Account To Wages (manufactuting)	141	-	141	-
	(d) Sales Returns To F White	64	-	64	
	1	(421	2 4	£421	2 4
	The Profit and Loss Account would be adjusted as follows-	DEE	ITED	CRE	DITED
	(a) Buildings (reduction of Repairs) (b) J Smith (reduction of Allowances) (c) Machinery (reduction of Mig Wages) (d) Francis White (Sales Returns)	64	-	198 18 141	
	TOTAL CREDITS LESS FREM OF DEBIT			357 64	2 4
	NET increase of Profit			£293	2 4

EXERCISE III-No 19. å

PEARSON & MACGREGOR

ů . 19,947 18 9 742 7 8 TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19 .. By Sales Less Returns Inwards . .. Cash Sales .. Stock, 31st Dec. 13 728 - 6 To Stock, 1st Jan . . . . . . . . . . . . . . . . . . Less Returns Outwards . " Carriage Inwards " Wages " Balance, Gross Profit c/d

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	Ö ş	-		346		-	9 00	=	62 12 7	- 4	_		-	÷		20	21
	PEARSON & MACGREGOR.	_	N - 2	<u>~</u> ŏ	=	200	85	Ř	28	320		157		20	_	913	63 828 15 5
				_	7	-	_										<u>ه</u> ا
	H 5	79		_		160	1.	95	7	77	16	w 1	-	-		_	31
	Accou	2	=	=	_	10	拦	4.0	1		30	21	11	Ţ		H	31
	PE SS Accou	2 2 3	=	=		10	干	14 8 7	900	21	84 15 53 10 3	8   8	17	F		F	31
	PE Loss Accou	2 2 3	=	_	_	10	<u> </u>	_	1	92	20	8   8	300	F	304 11 10	E	31
	PE WD Loss Accou	2 3		_	_	10	<u>学</u>	_	1	98	20	8 15 5	300	I			31
<b>*</b>	PE TT AND LOSS ACCOU	2 2 3	_	-	_	10	<u> </u>	127	900		53 10	<u>"</u>	• • •	-	304 11 10		31
nia Įs	PE ROFIT AND LOSS ACCOU	7 2 7	-	-	_	10	上 · · ·	127	900		53 10	<u>"</u>	• • •	-	304 11 10		31
leonia fe	PEARSON & MACGREGOR PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST PROFITS	7 2 7	-		_	10	<u> </u>	127	900		(847/10/+) 6/14/11) 53 10	•	•••	-	304 11 10		31
*A fronta fo	PROFIT AND LOSS ACCOU	7 2 7			85	98		127	900		(847/10/+) 6/14/11) 53 10	•	•••	-	304 11 10		3!
** ** (conta f.	PROFIT AND LOSS ACCOU	•			85	xpired s		127	900		(847/10/+) 6/14/11) 53 10	•	•••	-	304 11 10		31
a so soons in	PROFIT AND LOSS ACCOU	•	penses		150	xpired s		127	900		(847/10/+) 6/14/11) 53 10	•	•••	-	304 11 10		31
the same is	PROFIT AND LOSS ACCOU	•	Rapenses	1 etc	150	xpired s		127	900		(847/10/+) 6/14/11) 53 10	•	•••	-	304 11 10		21
i some is		•	elling Expenses	T. Crs eto	150	xpired s		127	900		(847/10/+) 6/14/11) 53 10	•	•••	-	304 11 10		21
to the least of	Dr PROFIT AND LOSS ACCOU	•	Travelling Expenses	354	And Rent Outstanding	xpired s		127	900		(847/10/+) 6/14/11) 53 10	•	•••	-	304 11 10		21
to lease le		Renewals .	Travelling Expenses	Water, Gra etc	And Rent Outstanding	xpired s		127	Bad Dobie Reserve (amount required)		(847/10/+) 6/14/11) 53 10	<u>"</u>	A Magregor (3% of £3 000)	apital Accounts	304 11 10		21

# PEARSON & MACGREGOR

BALANCE SHEET AS AT 31ST DECEMBER 19.,

4	- 2	₹			~	100
4	4 2	€.	+		cc	10
958	5,271	356 13	303	2	2	10,685
7 -	1 61	, T= e	111	12	$\overline{1}$	7
s 4	1 201	1122	120	_ ∞ ı	Î.	
3,771	375	356 14 11	847 10 84 15	21		
RTS	Less Dad Debts Reserve	Horses and Carts Less Deprecation	Plant and Machinery	Unexpired Values— Rates and Taxes Insurance		
\$ 20 P	Stock Furnitur Less D	Ě	Plant an	Unexpired V Rates and Insurance	0110	8
1,099 1,099 50			6 2 2 8		3 154 11 10	10 685
7	111	12.	1	2   2	1	7
8	1 10	100				
9	4 000 300 600	620	3 000	3 454		
				Share of Profit . Drawings, . '		

62

#### EXERCISE III- No 20

C English s-

- (a) Circulating Assets (3 500
- (b) Freed Assets £2.760 (This item may also be equal to Liquid Assets Less Liquid Liabilities {/3.500 £1.450 = £2.050} \}
  - (d) Capital would be £4 860
- (e) Net Pront should be \$190 (f) The creditors would still be \$1 450 as the purchase of new machine relates to the ensuing financial year.

relates to the ensum	ng financial year			
EXERCISE III-No	21			
Dr	Advertising Suspense Account 1931		Cr	
To Advertising Balance c d	498 / # By Profit and Lose	1 500	,	ď
	1-40	£1 500		_
	1932			
To Advertning	5 785 d By Balance bid Profit and Los Accou 1 Balance cid	1 002 1 500 1 28 f	\$	4
	(3.78)	£9.785	_	
	1933		-	
To Balance b/d Advert seg	By Profit and Loss Account Bulgace c d	1 500 92	1	d
	(1 29n)	(1 49		
	1934			-
To Bulance bid Advert sing Bulance cid	8 Profit a d Lors Account	1 500	ı	-
	(1-41	£1 500	_	
	{ <b>9</b> }3			
To Advertising	8 466 By Balance b/d Profit and Loss Account Balance cid	1 137 1 701 829		d
To Balance b d	(3 46)	CA 49C	_	_

#### EXERCISE III-No. 21 (contd.)

#### BALANCE SHEET

Liabilities 1931 Advertising Suspense AA 1934	1,672 1,137	1:	Assetts 1932 Advertising Suspense A/c 1933	1 293 92 92 929		4
---	----------------	----	--	--------------------------	--	---

#### EXERCISE III-No 22.

#### JOURNAL ENTRIES

19	Trading Account To Carriage Inwards ,, Rent, Rates, etc	5,695	5 4	£ 200 960		-
	f 1 200     To Wages and Salanes .     Lighting and Heating Balances transferred			4,400 135	-	-
	Profit and Loss Account To Salaries and Wages Lighting and Heating Directors' Remuneration Discounts and Allowances Reat, Rates, etc. (§ of £1,200) Repairs to Plant, etc. Balances transferred	2,335		500 220 I,000 190 240 185	1 1 1 1	
	Discount on Purchases To Profit and Loss Account Balance transferred	210	-	210	-	-
		£8 240		£8,240	-	Ξ

#### EXERCISE III-No 23

A Capital Account is the account of the propietor of a business. It embraces, ordinarily the amount introduced to commence business, interest due on that sum, profit or loss arising out of the business, and drawings [if any] Gross Profit is the amount by which the selfing price exceeds the cost price

Gross Profit is the amount by which the selling price exceeds the cost price het Profit is the amount by which the Gross profit exceeds the selling and administrative expenses

A Trading Account (or Working Account) deals with purchasing and manufacturing expenses

A Profit and Loss Account deals with selling and administration expenses (See Advanced Accounts, Chapter III)

#### EXERCISE III-No 24

1934	. 1 1.111	11 ( (
Sept 30 To Balance old	f 1 2 4 1933 000 - 001 By Balance 1934 Bank 1900 - 1934 Oct 1 By Balance b/d	\$ 500

Dr	CURRENT ACCOUNT	C#		
1933/34 Oct 1/ Sept 30 To Drawings Balance c/d	2 cool of Cet 1 By Balance 150 of Sept 20 Laterest 20 Share of Profit \$\frac{1}{2}\$ Cool of \$\frac{1}{2}\$ Cool of \$\frac{1}{2}\$ Cool of \$\frac{1}{2}\$ Share of Profit \$\frac{1}{2}\$ Cool of \$\frac{1}{2}\$ By Balance b/d	203 4 440 - 30 523 6 8 (22 196 6 8		

Dr	R COBB-CAPITAL ACCOUNT	Cr
1934 Sept 30 To Balance old	of the state of th	3 500 s d
	25 000	5 000

Di	•	CUR	RE	ЧĪ	Accou	NT:	Cr		
1933 Oct 1 1933/74 Oct 1/ Sept 30	to Balance Drawings	€ 104 1 500	2	ď	1931 Sept 30 30 39 30	By Interest  Share of Profit † Balance of	180 35 761 627	13	4 1 4 8
1934 Oct (	To Balance b/d	£1 604 627	8	8			£1 694	_	Ξ

# EXERCISE III- No 25

Dr.	A BUYER'S ACCOUNT	Cr
Jan I To Balance 10 Sales June 23 Aug 17 27	1   2973   1974   1975   197	# 15 15 100 100 100 100 100 100 100 100 1
Nov 30 Feb 1 To Balance b'd Profit and L	10 - Feb 1 By Cash .	10 S
EXERCISE III—No	2Ó	
Dr	G READER-CAPITAL ACCOUNT	Cr
1931 Dec 31 To Balance c/d	1 3 600   3 4   1931   By Balance   1932   Bank	2 500 -1 500 -1 £3 000
Dr	G READER—CURRENT ACCOUNT	Cr
1931 Jan j Dee Dee at , Balance c/d	101   102   103	125 1 1 10 376 11 4 6514 3 4 194 3 4
Dr	A STOREY-CAPITAL ACCOUNT	Cr
Det. 31 To Ba ance	3 000 a d 1931 3 000 b 1931 by Balance Bank 1934 Jan 1 By Balance b/d	2 500 s d

# EXERCISE III No 25 (contd)

D	r	A St	OREY	-1	Cu	BRENT	Account	Cr		_
t931 Jan / Dec Dec 31	To Drawings Balance c/d		3°0 2 (3°5	5 16 16	d 8 8	1931 Dec 31 31 31 31 31 32 32	By Interest Share of Profit 1	125 12 188 £325	16	8 8

# EXERCISE III-No 27

NOWINAL LEDGER

Dr	·		TELE	PHON	ĸ A	CCOUNT	(1939)		C+		
1939 1939	To Qrs	Rent Calls		£ 3	7 8	1939 Dec 31	By Profit and	Loss A/c	±34	:4	4
June 30	Qrs.	Rent Calls	1	3	7 8				k	}	ĺ
Sept 30	Qrs	Rent Calls	H	s}.	7 8					}	ł
Dec 31	Qrs	Rent Calle	-	9)	7 8						l
- 1			E	(31)	4 8				£34	14	8

## EXERCISE III -- No. 28

(a) Revaluation of stock is necessary to avoid carrying a wrong value of this asset to the Balance Sheet as stock in trade is subject to market fluctua tions and it is prudent to adjust such stock to its present market value

(b) This value would be debited to a new Stock Account

# EXERCISE III-No 20

D.

D.	r rei	NT AY			TES AC	COUNT	Cr		
1935 Feb 1 Apr 1 July 1 Oct 1 Dec 15	To Rates (prepoid) b i Rent Rates	£ 30 150 180 183	•	ā	19 <sup>2</sup> 0 Jan 31 31	By Rates (prepa d) c d Profit and Lots A/c	29 808	5	ď
3i 1936	Income Tax Sch, A	150	П	Į					ĺ
Jan 1	Rent (net)	2837					(837		
1936 1936	To Kates (prepa 8)	79				}		7	7

# EXERCISE III-No 30

(a) Capital Expend ture (b) Revenue Expenditure (c) Revenue Expen diture (d) Capital Expenditure

		Î			
To Stock 1st Annil 1936	9	67.750	By Credit Sales	124 756	3
, Purchases		95,585	Cash Sales	10 626	
Wages Balance, Gross Profit c/d		31,540	Stock at close 31st March, 1937		70,100
		£205 482			£205,482
Es To Trade Expenses Less Insurance prepard	15,206		By Gross Profit b d		31,540
"Discounts allowed " Bad Debts Reserve (new) ************************************	1,125	3,202			
Depreciation of Plant 10 per cent Debenture Interest Balance, Net Front		6,130 6,730 6,730 6,730			
		(33 546			£33,546

8 914	21.0	(267 205
	22 799 6 220	
Profit and Less Balance brought forward from Law Year.	2057 20.5	

# EXERCISE IV-No a.

									1	4
Cash Receipts .									619 173	1,042 281
Add Fees owing	•	•	٠	•	•	•	•	•	110	401
Less Expenses									£792 196	£1,323 248
It is assumed that t	he (I	72 Fa	et av	ang b	, b.		d a b	rah.	(598	€1,075
amount must be d	educt	ed fro	on net	earm	Dgy in	the ye	ar 19.	35		173

STATEMENT OF NET EARNINGS

1934 1935

EXERCISE IV-No 3

		97	7 367	4		6 869	621 448	14 110		2 273		616 383
	193,	92		2 000	7 400				1 243	T		4
STATEMENT OF PROFIT AND LOSS OF PROST AND SNOW FOR THE YEAR PARTS 21.2	AND STREET DECEMBER	Cash at Bank Makers	B lls Receivable	Tid Adhte ons	Less Deprocration			Capital 31st December 1935 Drawings- Frost				
ROST AND	7	3.213	4 125			671448		14 000		2 343	£16 383	
-	- 5	-	+						_	7		1
2	-	4 000	-						953 4	t		
Š	*	6,	1				5	4 000	129	Ī		
2	-	-	-			_		4		1	- 1	
PROFIT AP										-		
STATEMENT OF	Sundry Cred tors	Add Interest accrued	Balance be no mad capital		71		Capital 1st January 1935-	Balance Net I rofit	Snow			

EXERCISE IV-No 3. (contd.)

	1,399	4.813 6.869			£31,448	
1935						
STATEMENT OF AFFAIRS OF FROST AND SHOW AS AT 31ST DECEMBER, 1935	Assets	ble de achinery				
IN SYOW AS AT	Cash at Bank	Balls Receivable Stock in Trade Plant and Machinery .				
ROST AN	3,213			14,110	621,448	
F AFFAIRS OF		4,000 -	1,030	f3,923 4 -		
STATEMENT	CAPITAL ost	10 000 - 1 429 16 -	11,429 16 -	- (10,186 16		
	Liabilities and Capital Sundry Creditors Loan and Interest—Frost	2 Capital 1st Jan , 1935 Add Share of Pluft	Less Drawings			

Sundry Cret ters I'mal Cap tal qu'a			1 2 3 1 2 1 1 2 3 1 1 1 2 3 1 1 1 2 3 1 1 1 2 3 1 1 1 1	2 6 10 FM	1   20   1   4   Cash   1   20   1   2   2   2   2   2   2   2   2   2		
1.100	-	-	31sr 1	BCEN	31sr December 19		
Bank Overdraft Sundry Creditors Capital Account—	42	9	\$00 1 400	B	Cash Assers	-	
Balance 1st Jan Add Profit for year	1 090	_		_	Sundry Debtors F xtures etc.		
Less Drawings	1 708						
		E	1 228	-		-	
		_	63 128 10				

ΰ

15 5 4 950 10 732 80 10 350 10

(3 128 10

# A's STATIVITY OF PROFIT AND LOSS

Ċ	1,500 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	f 12,603	10,153	}	7 10 453
31sr December, 19	8   4   1   5   4   Cah   1   5   5   6   Cah   1   5   5   6   6   6   6   6   6   6   6	7 12 603	345 Drawings	3208	6 10 453 -
Dr.	Sundry Creditors Loan Capital Final Capital, 31st Doc. b/d 10 153		Capital 1st Jan	Dalance Nur Profit	

A'S STATFMENT OF AFFAIRS

		79			,	111
		-		-		
		1 ~	410	8 360 2 900	333	1 800
		-	-	œ		- 2
		5	÷	ļ	11:	1 4
		-		<del> </del>		
		3	8 800	51	2 000	
31ST DECEMBER 10	AT Wash	Cash	Sundry Debtors Less Bad Debts Reserve	Stock Furniture Less Depreciation		-
8		ď			7-	117
ã	1	4				+
181	į	5 0 s d			- 10 653	181
.,	-				9	£ 12 603
		8		117	<del></del>	<del>-</del>
	1-	6	17	1	<del> </del>	
	L	3	3 208	10 953		
	Г				-	
	Liabitatives	27.5	**			
	ī	Sundry Creditors Capital Account	22 Add Intere	Less Drawings		

75

:	6
,	7
	ž
	44
	Š
	SHEET
	BALANCE

Sundry Creditors Capital	1,383	Assers Cash at Bank Sundry Debtors Stock Hant and Machnery	£ 8 522 8 8 600 8000 8000 8000 8000 8000 8000
Dr TRADING AND PROPER	EE917	Takating and Property and Jose Accounts now true Vone I stone Trues. 1009	(1 633
k, 1st July chases, credit	3,217	By Sales Drawling Account	7,128
Carriage Inwards Wages Balance, Gross Profit	2,167 2,88 8,88 8,88	Stock, 31st June	320
To Sundry Expenses	44.564	lly Pallance Gross Presis 1.43	64.584
Trantog et c	125 28 268		3
	(613)		6193

# EXERCISE IV-No 7.

- W Robinson does not appear to have an efficient system of book-keeping
  - Additional books required are—
     (a) Purchases Book, and (b) General Ledger
- (2) Posting to Ledgers must be twofold. The accounts of Debtors must be offset by an account for Sales (for aggregate of the separate postings to customers).

Credit transactions with Creditors need the "double entry records and can be effected by the aid of the Purchases Book

(3) Discount, Cash, and Details columns are required in the Cash Book to adequately record items of Discount, or amounts transferred, etc.

(A) Complete records of all programmed themselves and normally should be

(4) Complete records of all impersonal items (real and nominal) should be kept in the Ledger recommended

(5) Annual Accounts 'can be prepared by the adoption of double entry book-keeping as against the single entry method, which is unsatisfactory for that purpose

#### EXERCISE IV-No. 8

See Advanced Accounts, page 3 (under "Accounts")

## EXERCISE IV-No o.

Carnage

A Trading Account deals with purchasing and manufacturing expenses A Profit and Loss Account deals with selling distribution and administration expenses

Trading Account Items Sales Purchases Manufacturing Wages

Profit and Loss Account Items
Allowances
Debenture Interest
Safaries

Stocks and Materials

All relate to cost of manufacture, except Sales, which is the turnover of a business

All are expenses of selling, distribution, or administration

Advertising

# EXERCISE IV-No 10

# JOURNAL (First Method)

19 Dec 31	Profit and Loss Account To Bad Debts Transfer of balance	233	3	1 2	236	3	d 2
, 31	Provision for Bad and Doubtful Debts To Bad Debts Reserve 5° of £5721 to 8 = £286 1 1 9 Less Old Reserve 267/14 11	19	6	10	18	6	10
31	Profit and Loss Account To Provision for Bad Debts etc Transfer of balance	18	6	10	18	6	10
		£272	16	10	£272	16	10

# JOURNAL

	(SECOND NETHOD)					
19 Dec 51	Bad Debts Reserve Account To Bad Debts Transfer of balance	236	3	d 2	£ 236	s d
31	Bad Debts To Bad Debts Reserve Amount required to raise reserve from £31/11/9 to £286 1 9 (5% of £0 721/15/8)	254	10		254	- 01
., 31	Profit and Loss Account To Bad Debts Transfer of balance	754	10		254	10 -
		(745	3	2	£745	3 2

# EXERCISE IV-No. 10 (contd ).

# PROFIT AND LOSS ACCOUNT (FIRST METHOD)

(Dr Side)

19	To Bad Debts Provision for Bad and Doubtful Debts,		236 18	\$ 3 6	2 10
•		į	£254	10	Ξ
	·	!		_	_

# PROFIT AND LOSS ACCOUNT (SECOND METROD)

		(Dr	Side)		 		
19	To Bad Debts				ź54	10	d. -

# BALANCE SHEET

	4.5	SETS					
Suudry Debtors Less Bad Debts Reserve	:	5 721 286	15 1	đ 8 9	£ 5,435	13	11

# EXERCISE IV-No 11.

# JOURNAL

	(First Metrod)		_			_	_
19 . Dec 31	Profit and Loss Account , To Discounts Allowed , Transfer of balance	£ 164	8	10	£	8	d. 10
,, 31	Provision for Discount Reserve on Debtors To Discount Reserve on Debtors 5% of (£3,835/14/11 - £194/15/9) -=£185/14- Lass Old Reserve £156/16%	28	4	6	28	4	6
,, 31	Profit and Loss Account To Provision for Discount Res on Drs Transfer of balance	28 £220	1	6	2S 220		6

EXERCISE IV--No 11 (con'd)

# JOURNAL (Second Method)

19 Dec 31	Discount Reserve on Debtors To Discounts Allowed Transfer of balance	164	s d 8 10	£ 164	s d 8 10
" 31	Discounts Allowed Account To Discount Reserve on Debtors Amount required to raise reserve from debt of 17/12/4 to credit of 18571/ [5%] of 13 700/19/2 1/3 893/14/11 less Bad Debts Reserve of 5% or e 194/15/9)	192	13 4	192	13 4
" 3 <sup>1</sup>	Profit and Loss Account To Discounts Allowed Transfer of balance		13 4 15 6	192 (549	
	PROFIT AND LOSS ACCOUNT	r			
	(FIRST METHOD) (Dr Side)				
	(Dr Side)	li .	7		
19	To Discounts Allowed Reserve for Discount on Debtors Less Old Reserve	£ 185 156	s d	164 28 £192	- -
•	PROFIT AND LOSS ACCOUN' (Second Method) (Dr Sade)	r			
19	To Discounts Allowed			192	s d 3 4
-	BALANCE SHEET Assets				
Sundry Less I	Sad Debts Reserve £194 15 9	95 14	9	£	s d

EXERCISE IV-No 12 (contd)

X Y Z & CO Balance Steel as at 31st December 19 .

3				<u>'</u>	111
\$ 643	22	4 535	2 872	2	17 741
70					
70					
		-			
£ 3	5 -72	737			
	540				
	•				
	Reserve	34 500		•	
Assers Petty Cash in band Cash at Bankers	Als Receivable andry Debtors  Less Bad Debte Reserve		Patent Rights Plant and Machinery		
Ass Petty Cash in ha Cash at Bankers	Bills Receivable Sundry Debtors Less Bad Debt	ō		Suppling	
'8			5		
'd "9		- 0	1		
4 500 1 970		220		2 504	ű ZHI
77	13	91	9	0	7
2	- 61	C.1	15	2	
7	6 110	8 378 1 200	1 360 17 6	4 312 17 6	
	-				
	voyance.			•	
Lians on Mortgage Sundry Creditors	Agestrope Accounting the Accounting Capital Accounts— Capital Accounts— Capital Accounts— Add Share of Profit	Less Drawings .	SG Balance 1st July Add Share of Profit	Less Drawings .	

83

# EXERCISE IV-No. 13.

# STATEMENT SHOWING NET SALES FOR THE YEAR

Sundry Debtors, 1st January Add Cash and Credit Sales .	:	:	:	:	1,537 5,731		10 3	
Balance (uncl. £37 10s bad debts)					7,268 1,770			
					€5,498	5	7	

# EXERCISE IV-No. 14.

# TRIAL BALANCE

(a) Sales (undercast) (b) Discount allowed (unposted) (c) Discount allowed (posted to wrong side of account) (d, Customers Account (posted 10s short) (c) Credit balance on Customers Account (overlooked)	£ 14	4 d 15 3 9 6	fo	s d
DIFFERENCE IN BOOKS	15 1 £15 1	14 9	12 3 £15	5 - 9 9



	=											_	į	1	l												
J													62 726	1					- 1	-		-	-			1	
													175	6.6		-	•		Son	Capital Accounts (P. Benson 3	Ĩ≅Đ	unts	Acco	ııta!	S.		
	==													9		-		%	2	8		Dead	į	e a	Balance Net Deact	н,	
	=											225	22	18	ľ	%	" Depreciation of (Flantand Machinery 10%	hiner 60/	Mac	and a	lant extu	H H	lon	ecras	Depr		
	==													200	-	-			1301	Ber	3	. {			ć	•	
	===											300	e .		_	•	ase)	Incr	t of	Ban	5 Z	aprts	13 E	188	Interest on Capital M Baines	. :	
	_											200	-4	-		_	Travellers Salaries and Commission Partnership Salaries	Partnership Salaries and Commission	omn	ğ	Se se	alari Salar	S d	ners Ters	F.F.	٠.	
	_											58	•	T	$\perp$				ng)	Advertising (incl. £20 owing)	ಜ್ಞ	incl	13 a	oun	δğ.	2 2	
2,000 2,000 3,000		 		••	• •	ved	Recei	Commissions Received	miss	S	•	123	_	8						Legal and Audit Fees Add Audit Fees owing	Pee B ov	red t	A du	al ar	252		65
11,909				•	P/	q tyc	Pro-	By Balance Gross Profit b/d	e di la	E C	By	8		463		٠			900	Rent Rates and Insurance Less Prepaid	o d	and an	Pate	ent Rates as	Z.		
_												606 113	Įξ		_								-		To Office 5-1	£	
												2,122	24 60		-		٠.	٠.	71	Balance Gross Profit c/d	Prof	OS3	G	lanc		2	
1,909	• •			2	193	ngen						5 113	_	=	4	•	•				s	War	e I	Carriage Inwards		:	
10 800						•	į	Sales net Stock 31st D.	By Sales net Stock 319	y Sal		¥24	_	5,284	-		•	٠.		• •	٠	urns	Ret	Less Returns		•	
Ċ		1935	BER	CEMI	<u> </u>	313	8		4		L	<b>_</b> _2	_	7	-		•		5	193	ary	Jan	Ist	Stock, 1st	To Stock, 1st January 1935	Γ.	
		TRADING AND PROFIT AND LOSS ACCOUNT FOR THE NAME.						i	å	È	402	INC	Acco	SSO	7	L AN	ROFT	9	N N	DIN	T.	1	1	1	1	·	
																				2	Vo 1	V- N	I Z	RCIS	EXERCISE IV- No 15	Γ	

	1935
	BALANCE SHELL OF BAINES AND BRUSON AS AT 31st DECEMBER
	Sist
	H
	4
	Bruson
	AND
	BAINES
	i c
	Surr
(contd)	BALANCE
5	
IV-No	
EXERCISE IV-No 15 (contd)	

ury Le	472 Cash at Bank 20 Sundry Debtors
557	<b>*</b>
cture cture	Bencon Stock-in-Trade
Less	3 0000
ress.	Plant and Machinery 100 I ess Depreciation at 10 per cent per annum 105
E E	3355 355
	63 000 4 400
	£4 917

EXERCISE	V_N_	

	Dr	LEASE ACCOUNT	C <sub>r</sub>
Year 1	To Cash	440 s d Year 1 By Deprecast on	1 6 10
Year 2	To Balance b/d	Balance e/d  Salance e/d  Year 2 By Dep scuat on	930 £440
lear 3	To Balance b/d	£330 Balance c/d	110 2°0
Year 4	To Bal	1220 Year 3 By Deprec at on Ba ance old	10 110
!	To Balance b/d	£110 Year 4 By Depreciation	£2 0 €110

	Dr	WACHINERY ACCOUNT
Year 1	To Cach	Year I By Deprec at on Bala ce of 120
Year 2	To Balance b/d	2 to 1 lear 2 By Den er 11 au
Year 3	To Balance b/d	1 687 10 Year 3 By Dep re at co
Cear 4	To Balance b/d	1 265 12 6 Year 4 By Dependent 1 265 12 6
ear 5	To Balance b/d	### Balance c/d 316 8 1 949 4 5 949 4 5 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$
ar 6	To Balance b/d	711 18 4 Year 6 By Deprec at on 177 18 4
ar 7 ]	To Balance b/d	D11 18 4 Balance c/d 534 534 534 534

Rate of Depreciation -25 per cent off Diminishing Value

# EXERCISE V No 2

# MACHINERY ACCOUNT

$D_{t}$		(First Method	)	_C+		_
Year (	To Cash , ,	. 3,000 - Year j	By Depreciation (10% of £3 000) Balance cid	2,700 (3 000	-	-
Year 2	To Balance b/d " Cash (June)	2,700 - Year 2 250	By Depondation (10% of £2,700) "Balance q/d	2,680 £2,950	-	=
Year 3	To Bulance b/d . " Cash (March)	7,660 - Year 3	By Depresation (10°, of £2 680) , Balance via	268 2732 (3,000	3	=======================================
	To Balance b/d	2 732			1	-
_		(SECOND METHOD	)			
Year 1	To Cash	2600 1 4 Year 1	Re Demecialino	£ 000		4.

		(SECOND N	(ETHOD)	
Year t	To Cash	3 000 - 4	Year 1 By Depreciation (10°+ of (3 000) Balance via	2,700 -
Yest Z	To Balance b/d , Cash (June)	2700 - Y	Year 2 By Depreciation (10% of £2 950)  Balance 4/d	£3 000 - 295 2,655
Year 3	To Balance b/d . ,, Cash (March)	2,655 320 - Y	Teat 3 By Depreciation	297 t0 2,677 10 -
	To Balance b/d	£2 975 2 677 10 -	1	2 975

# EXERCISE V-No 3 (contd)

# MACHINERY ACCOUNT

	Dr	MACHINERY ACCOUNT (THIRD WETHOD)
Year 1	To Cash	3 500 2 d Year 1 By Depree at on (10 o of £3 000) 300 5
Year 2	To Balance b/d Cash (June)	73 000 Y at 2 By Defend to 12 700 2500 2500 2500 2500 2500 2500 2500
Year 3	To Balance b/d Cash (March)	289 10 (29 0)  2 667 10 Year 3 By Dep c salton (29 0)  10 0 6 4 5 5 7 10 286 la.
	To Balance b/d	2 696 15 2 696 15

	RCISE V-No 4	LEASE ACCOUNT
Year	1 To Cash Interest	Second
Year :	To Balance b/d Interest	27 100 17-54 77 37 Year 2 By Dep ec ation Bs anno c d 345 122 6
Year 3	To Balance b/d Interest	11 842 1 8 811 1 496 8 11 Year 3 By December 1 8 8 1 1
Year 4	To Balance b/d Interest	D 571 5 4 By Deprecation Balance c/d 345 1/2) 5 16 1 5 7 Year 4 By Deprecation Balance c/d 345 1/2) 5 4 61 5 7 5 4 61 5 7 7 5 4 61 5 7 7 5 4 61 5 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7
Year 5	To Balance b/d Interest	941 5 5 941 5 5 47 1 3 Year 5 By Deprecation 345 101 6
Year 6	To Balance b/d Interest	642 13/11 Year 6 By Depreciation 542 13/12 0
Year 7	To Balance b/d Interest	874 16 6 3 9 3 9 4 16 9 4 17 18 9 4 18 9 4 18 9 4 18 9 4 18 9 5 18 18 18 18 18 18 18 18 18 18 18 18 18

EVERGISE W W. .

EXER	CISE V- No 5			
Dr		TEASE ACCO	UNT	Cr
Year 1	To Cards	2000 - 1 Dec	31   By Dep contion Fund	A/c 2 (00) - 1
D	DLPI	RECIATION FUN	D ACCOUNT	Cr
Dec 31	To Balance od .	245 12 Dec.		45 12 3
Deg 31	To Balance e. 2 .	400 11 2 1 100 1 2 1 100 1 100 1 100	t Fr Betance b'd	245 12 9 12 5 8 245 12 9
Year 3 Dec. 81	To Balance etc.	774 7 4 Jan	1   By Balance b/d	508 11 2 27 3 7 245 12 9
What 4 Dec. 31	To Balance c/å .	1 00% 14 4 Jan Dec	B Ratance bid	2774 7 6 774 7 6 34 14 245 12 9
Year 5 Dec. 31	To Balance e/d .	1 937 6 2 Jan.	I D: Ralance h/d 1 Cust (Inter⊷t)	1 059 14 5 5- 16 8 245 12 4
lear d Dec. 5	To Balance c/d	1 670 16 3 Year 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	By Polance bid	1 15 6 2 67 17 4 243 12 9
Year 7 Dec. 21	To Balance . (Amount to Irans fer to Luase Aic)	2 000 - Jean 3 2 000 - Jan 3 2 000 - 3	Dy Ralance bid.	71 670 15 3 1 670 15 3 53 30 10 241 12 11

# EXERCISE V-No 5 (orti)

-	- 110 5			
	Dr DEPRECI	ATION FUND IN	VICTOR	
Year Dec	1 31 To Cash			OUNT Cr
Year	2		c 31 By Balance c, d	£ 1 d 12 9
Jan	Cash (Instalmer and Interest)		ar 2 : 31 By Balance c/d	503 11 2
lear :	. /	£803 11 2	1	1
Jaq	To Balance b/d Cash	503 11 2 Yea -70 16 4	By Balance old	774 7 6
lear 4		7 4 7 6 Year	31 By Balance e/d	£774 7 6
lear a Jan 1	To Halance b/d Cash	£1 053 14 8 1 058 14 8 Year 298 11 8 Dec 2		1 008 14 8 41 008 14 8
lear 6 Jan 1	To Balance b/d Cash	1357 6 2 1ear 6 313 10 1 Dec 3		1 357 C 2
lear 7 Jan 1	To Briance b/d .	1 670 16 3 1 670 16 3 Pear 7 379 3 9,		21 6 0 (16 3
		£2 900	(Proceeds of real sat on of abvest ments)	2 000
$D_{\tau}$				
		CASH ACCOUN	Т	-
		Bank		Cr
Name of  -		1 1 1		Bank.

		Bank
Year 2	To Depreciation Fund A/c. (Interest or First ) ear s (nvestment)	12 3 8
And	Streeten	_[ [ ] ]
	similar entries for later	years

By Deprec atten Fund Investment A c Depreciat on Fund Investment A/c (Investment CASH equal to SECOND Y 31 5 IN

Year 2

8 Year 1

stalment raws in terest on FIEST year s mstalment)

-40 19 Q 207 13 3

Dr

Year 2 To Cash

Year 3 To Cash

Year 4 To Cash

Year 5 To Cash

EXER	CISE VNos	. 7-	and 141 c The answer Advanced	to this Account to this	question is in An	swers at end of
	CISE V-No.		RENEW.	ALS R	ESERVE ACCO	UNT Cr.
Year 1 Year 2			200 1 4 150 17 9	1	By Profit and Loss By Balance b/d .	200
Year 3	To Repairs		£200	Year 3	By Balance b/d . Profit and Loss	£200 40 2 3 200
Year 4	To Repairs "Balance old	:	269 15 3 44 12 6	Year 4	By Balance b/d " Profit and Lots	£240 2 3 114 7 9 200
Year 5	To Repairs ,, Balance of	:	2314 7 9 225 16 11 18 15 7 2244 12 6	Year 5	By Balance bid . Profs and Loss	200 £244 12 6
				Year 6	By Balance b/d .	18 15 7

REPAIRS ACCOUNT

£225 18 11 Year 5

Year 3

Year 4

By Reps & Repuls, Res.

By Reps. & Renwis, Res.

By Reps. & Renwis. Res

By Reps. & Repwis, Res.

£125 14

£269 [15] 3

# EXERCISE V-No 9 (contd)

# JOURNAL ENTRIES

Year	1	Profit and Loss A/c To Repairs and Renewals Res A/c	£ 200	5	ď	£ 200		ď -
,,	2	Repairs and Resewals Reserve A/c To Repairs	159	17	9	159	17	9
		Profit and Loss A/c To Repairs and Renewals Res. A/c	200	-		200		-
v	3	Repairs and Renewals Reserve A/c To Repairs	125	14	6	125	14	6
		Profit and Loss A/c To Repairs and Renewals Res A/c	200	1	-	200	-	-
	4	Repairs and Renewals Reserve A/c To Repairs	269	15	3	269	15	3
		Profit and Loss A/c To Repairs and Renewals Res A/c	200	-	-	200		-
**	5	Repairs and Renewals Reserve A/c To Repairs	225	16	11	225	16	11
		Profit and Loss A/c To Repairs and Renewals Res A/c	200	-	1	200	-	-
			£1 761	4	5	£1 781	4	5

# BALANCE SHEET (AT END OF YEAR)

Year 1 2 . 3 4 5	LIABILITIES  Repairs and Renewals Reserve Account   £ 200 £ 40 £ 114 £ 18	2 7 12	d . 3 9 6 7	
	ļ	l		_

# EXERCISE V -No. 10

The principal reason for Compound Interest being taken into consideration is on account of the expense of upkeep in the earlier years, being small in comparison with the charges for dilapidations that arise during later years.

# EXERCISE V-No 11

1	Dr	SINI	CING	ΓU	ND A	CCOUNT		r:	_
fear (	To Balance e/d To Balance e/d		183 382	((	ell .	By Profit & Lot	188 400 5 6s 2	188	8 13 8
e2r 3	To Balance e/1	281 256 (135 425	392	9-	1 cars	By Balance bit Interest Profit & Los	6382 452 382 457 11 474	£352	9
ear 4	To Balance old	783 195		3 (1	lĪ.	By Bulance b/d faterest Profit & Loss	17 470	£582 582 17 183	6 9 6
ear 5		2749 190 1 000 000 1 000 000	1 000	311	Leur S	Interest Proof &Loss	788 196 788 196 23 645 188 106 1,000 000	188	3 1 12 12 3
1	or sin	KING FL	λD	INV	LSTM	ENT ACCOU	INT	Cr	_
eur 1	To Cash	188 400	183	6 4	Tear (	By Salance old	184 400	f88	z 6
ear 2	To Battmos b/d , Cash (a)	188 400 194 052	183 194	8 1	Year 2	" Balance old	332 452	382	9 -
ear 3	To Balance bid	387 452 193 874	382 199	9 -	Year 3	By Balance old	£382 452 582 326	£382 582	9 <b>-</b> 6 6
ear 4	To Batance b/d	182 326 205 870	587	6 6 7 5	Year 4	By Balance old	£38° 326 783 196	£582 788	6 6 3 11
ear 5	To Balance bid , Cosh	788 196 788 196 211 894		3 11 6 1	Year 5	Ŋ.	£788 196 1000 000		3 11
		1 000 000 8	000	H		tion of up vestments)	000 tho (1	000	L

<sup>(</sup>a) The sum includes Interest on wiser year's investment Note -The question requests that the "Accounts" be raised for 3 years. It has been thought an advantage to teachers to show the complete workings, with the alternative workings in parallel columns

# EXERCISE V-No 11 (contd)

D	r	INTEREST ACCO	UNT	Cr
Year 2 Year 3 Year 4 Year 5	To S aking Fund A/c	f s d lear 2 211 9 6 kest 3 217 9 5 kest 4 223 i ii Yest 5	By Cash By Cash	£ s d £11 9 6 £17 9 5 £23 12 11
	CISE V—No 12 Idian ed Account	is pages 152 and 15	3 (under Secret F	Reserves )
EXER	CISE V No 13			
Di	•	OLD PLANT ACC	OUNT	Cr.
ខេ	t To Balunce	5 400 5 4 19	By Depreciation Fund / AB & Co Cash Profit and Lots	Vo 1 950 550 1 200 2 800 55 400
D	,	NEW PLANT ACC	0U/1	C,
18	To A B & Co	e 6.0 1		
D	7	4 B & CO		Cr
19	To Old P 2 & Balance of l	f 200 2 d 19 5 300 19 6 8 80	By her Plant	8 3:0 s d
	ļ		By B₄ ance b/d	8 100
E	y DEPI	RECIATION FUND	ACCOUNT	Cr
19	To Old Pour A/c	1 0 0 0 19	By Ba inte	1 000 1 4
	), PR	DIIT AND LOSS	ACCOUNT	C <sub>f</sub>
19	Io Old Plant	2 500		

# EXERCISE V-No. 14.

See Advanced Accounts, pages 140 and 141 (under "Insurance Policy System")

# EXERCISE V-No 15

		PLANT ACCOUNT	
I	)+	(Depreciation at 5 'o on original cost)	Cr.
1230 Jan 1	To Purchases	2 0:0 - Dec 31 By Deprecation	1,900
1931 ]an 1 July 1	To Balance b : Purchases	1,900 - Dec 4  By Sales (1) - 31   Loss on Sales 31   Deprecations (2) 00 for 12 mo (4) 00 for 12 mo (5) 00 for 12 mo	190 110 100 100
1992 Jan. 3 Apr 1	To Balance bed	(* 300 - 1002   By Deprovation   1,000	105 - 10 10 - 2,784 10 -
1933 Jan. 1	To Balance b/d	2,681 1) - Oct   By Sales   Dec 31   Dec 31   Dec 32	70 10 - 30 10 - 113 - 1,930 10 -
1934 Jan- 1	To Balance b'd	12:081 19 - 1934 1:5:0 10 - Dec 31 By Depreciation - 1930 for 12 mes. 1:5:0 10 - Dec 31 By Depreciation - 1930 for 12 mes.	f1869 10
1935 Jan. 1	To Estance 6/6	2,747 16 -	1 11

## EXERCISE V No 15 (contd.)

# PLANT ACCOUNT

(D preciat on at 71% on diminishing value) D Cr 1930 1930 2 000 3 6. jan 1 To Purchases Dec 31 By Depter atron 71 % of £2 000 Balance c/d 30 31 1850 £2 000 62.000 1931 1931 To Balance b/d. Pu chases 1,850 Dec 31 By Sales 160 July 1 400 Loss on Sales 31 Dep ec at on-£1 850 for 12 mos £400 for 6 mos 138 12 31 Balance c/d 1,839 11 £2 250 €2,200 1937 1932 Dec 31 Jan Apr To Balance b/d 1 839 11 By Decree at on --(1 839/1/2 for 12 m 1280 for 9 mos Balance c/d 280 137 19 1 965 16,10 31 2 119 £2 119 11 2 1933 1933 1 960 16 10 0 1 To Balance b d Inn 1 1 By Sale 70 16 6 Loss on Sale Deprec at on-Dec 31 £1 96./16 10 for 9 m 110 11 6 34 19 4 1 719 9 6 Зť Balance e/d £1 965 | 16 10 £1 965 16 10 1934 1934 Tan To Balance b/d 1 719 Dec 31 By Deprec at on-£1 719 9/6 for 12 m Balance c/d 128 19 2 31 1 590 110 4 €1 719 £1 719 9 1935 Jan 1 To Balance b d

# EXERCISE V-No +6

See Advanced Accounts pages 125 (under 'Tixed Instalment Method"), 131 (under 'Annuity System ) 133 (under 'Depreciation Fund Principle'), and 140 (under Insurance Policy System')

# EXERCISE V-No 17

See Advanced Accounts page 140 (under 'Insurance Policy System') and onwards DEBENTURE RESERVE FUND ACCOUNT

EXERCISE	V—No	2
Dr	DEB	r

19 June 30 To Capital Re	serve A/e 30 000 s d June 30 By Balance	50 (xg) 3
Dr D	EBENTURES REDEEMED ACCOUNT	Cr
June 30 To Cash	50 500 1 d June 30 By Debentures	50 500 -
D#	DEBENTURES ACCOUNT	C+
June % Fo Debentures Account	Redeemed 50 corp s 2 June 1 By Debenture Holder	s 5000 4-

# INVESTMENTS ACCOUNT

Dr.		(2) % Consols)	Cr .
June 30 Fo	Balance	5 4 19 19 19 19 19 19 19 19 19 19 19 19 19	Cycle Profit and Loss

# EXERCISE V-No 18 (contd)

Dr	CAPITAL RESERVE ACCOUNT	Cr	
	June 30 By Debenture Res Fund	so 600	s a
D,	PROFIT AND LOSS ACCOUNT	C+	
19 June 30	To Investments A/c 10 000 5 d		I
D	CASH BOOK	c,	
1	Bank	Ban	×
19 Ju e 30 30	To Balance 1 vestments A/c 48 979 30 By Debentures Redoem d Account 30 By anno o/d	50 000 4 9/0	s d

# June 30 To Briance byd EXERCISE V-No 19

The insurance premiums paid must be estimated as worth only surrender value

# INVESTMENT ACCOUNT

Dr	(Insurance Policy on Life of Managing Director,					
	Amoust Prem Assired Pa	urpanes		Amount Assured	Premiums Paid	
19 To Cash	1,500 - 4 1.00	s a 19	By But old	1 000 s d	f <sub>50</sub> s a	

INVESTMENT REDEMPTION FUND ACCOUNT

# EXERCISE V-No. 10 (contd.)

	<u> </u>	_ 1 _ 1
A	PPROPRIATION ACCOUNT	CASH BOOK
	(DEBIT SIDE)	(CREDIT SIDE) Bank
19	To Investment Redemp too Fund Afc 250 -	By Javestment A/c (For source hose pre musta pasd)
Sec EXE	RCISE V—No. 20 Advanced Accounts, page 151 (under RCISE V—No. 21 Advanced Accounts page 150	'Manne Insurance Fund").
	RCISE V—No 22.  Answers at end of Advanced Accounts	
	RCISE V-No 23 Advanced Accounts pages 124 to 131	(inclusive)
	25 The definitions at	d of Advanced Accounts re given and differentiated on its of Advanced Accounts

EXERCISE V-No 29

JOURNAL

page 190 onwards of Advanced Accounts
26 See Advanced Accounts pages 124 to 131 (inclusive) and 150 and 151
27 See Answers at end of Advanced Accounts
28 (a) See Advanced Accounts page 127 (under
"Dimmshing Balance Method")
(b) See Advanced Accounts, pages 131 to 133 (at
foot of page, under Annuty Method")

19	Appropriation Account To Reserve Fund	:	Dr.	1,275	\$	ď	£ 1,275	5	d -
!				£1,275	-	Ξ	£1 275	-	Ξ

# EXERCISE V-No 29 (contd)

Dr		INVESTMENTS ACCOUNT (£1 500 @ 85)	Cr			
19	To Cash	1275 0 4				

Dr	RESERVI	e funi	ACCOUNT	Cr
		111.	By Appropriat on Af	0 1273 14

1	)7	CASH ACCO	CASH ACCOUNT				
		Bank		Bank			
19	To Balance	£ 6 000 c d d 19	By lavestments (£1 500 @ 85) Balance c/d	1 275 4 725 68 000			

D,	ROPRIATION ACCOUNT						Cr			
19	To Reserve Fund " Bal, to Balance Sheet	£ 275 1,725 £2 500	5	4	19	By Balasce	•	2 500 £2 500		d

EXERCISE VI-No I (contd)

//	Bills Receivable	£ 30	5	d	£	s	a
(1)	To R Red	30		-	30	-	-
(2)	Francis & Co To Bills Payable	200	-	-	200	-	-
(3)	Blue & Co To Bills Payable	93		~	95	-	-
(4)	Purchases Account To Sharp & Co	550			150		-
	Sharp & Co To Bills Payable Discount	350			142 7	10	-
(5)	Ridler & Son To Bills Payable	90	-	-	90	-	-
(6)	Bills Receivable To S Straker	120	-		120	-	-
(8)	Bilis Receivable To M Monk	120	-	-	120	-	
(9)	Bills Receivable Discount To Green & Co	190	-	-	200	-	_
(11)	Bilis Roceivable To J Rowell	420	-	-	420	-	
	M Goodman To Bills Receivable	420		-	420	1	-
(13)	B Blunt To Sales	120	-	-	120	-	-
	Bills Receivable Discount To B Blunt	117	-	-	120	_	
(14)	York & Sons To Sales	150	-	-	150		١.
	Bills Payable To York & Sons	00.	-	-	150		-
(18)	Dark & Co To Bilis Payable , Discount	300	-	-	285 15		:
		£2835	-	-	€2835		-

EXERCISE VI-No : (19)

104

(a) An example of a bill of exchange which is a "negotiable instrument" is as shown on page 159 of Advanced Accounts. The accounts necessary to adequately record the transactions it involves are detailed below

19. Jan 17	Bills Receiv To M Go	odman	Dr Cr	£250 £25/)	LEDGER Accounts will be raised for— Bills Receivable. M. Goodman
., 17	M Bressloff To Bills I	Receivable	Dr Cr	£250 £250	M Bressloff
19 Jan 17				£250	LEDGER Accounts will be raised for— Bills Payable: J Rowell
	(3) In M E	resuloff's Boo	h s		Lencer Accounts will be raised
19 Jan 17	Bills Receiv To J Ros	able rell	Dr Cr	£250 £250	for— Bills Receivable: J Rowell
(b) 1n	the Drawer's l	edzer			
Dr		BILLS RECE	IVAB	LE ACCOUN	T Cr_
		4	1	By K	
$D_{\mathbf{f}}$			B		Cr
1.	K (for Noting Charges)	100 A	1		£
Dr ·			к		Cr
Т	p B.Z., Receivable	160	- 11	87 B	or voting 100 7 6
In K's	Ledger	Eilis Recei	VABL	E ACCOUNT	Cr.
т.	Drawer	1 1/2 -		By Drav	eer

### EXERCISE VI-No r (19) leantd

L	Drawers Ac	COUNT				C	
	To Bill's Rece vable 100 7 6 By Bill's Rece vable						1
1	Noting Charges	Accor	INI			Cr	
	€ = €	В,	Draw	-		£ :	1
	(c) Bs JOU	RNAL					
(1)	The bill still in the hands of the drawer F Dr To Bills Receivable Cr Cancellation of b ll	£ 100	5	d	£	s	d
(2)	The bill has been previously en dorsed over to a creditor  F To A Creditor For dishonour of F s acceptance	100	-	-	100	-	-
	Bs CASH BOOK	CREDIT	Sidi	E)			
(3)	The bill has since been discounted with the banker By F (Dishonoured Bill)	£	s _	d	٤	•	d

### EXERCISE VI-No 2

### JOURNAL ENTRIES

						-	
(1)	Blue & Black To Bills Receivable	1 200	3_	<i>a</i>	£ 200	5	à -
	Bills Receivable To Blue & Black	202	13	-	202	13	-
	Blue & Black To Interest For charge of Interest of 5% on £200 for 3 months	2	13	-	2	10	-
	To B II Stamp	ļ	1		1	3	-

EXEPCISE VI-No. 2 (contd)

	JOURNAL ENT	RIES (60	m(d)				
(3)	Wilson & Jones To Bills Receivable .	42	0 -	1	42	0	-   d
	Bills Receivable To Wilson & Jones .	. 30	1 9		30	,	9 -
	Wilson & Jones . To Interest . For charge of Interest of \$% on £300 for 1 month To Bill Stamp		9			1	5 -
(4)	I. Lamb To Charles & Son	460	5	€	460	5	8
(5)	Bills Payable To Brockwell & Haigh	630	-	-	630	1 -	1-
	Brockwell & Haigh . To Bills Payable	402	18	4	402	18	4
	Bill Stamp Interest (4% of £400 for 2 months) To Brockwell & Haigh	. 2	13	4	2	19	4
(6)	Bills Payable To Locke & Co .	300	-	-	300	-	-
	Locke & Co To Bills Payable .	303	14	-	303	14	-
	Bill Stamp Interest (For charge of Interest of 31% on £300 for 4 months) To Locke & Co	3	10	-	3	14	_
(7)	Bills Payable	345	10	8	345	10	8
(91	Bills Receivable To Frame & Co	1,083	-	9	1 093	-	9
	Frame & Co To Interest (For charge of Interest of 6% on	26	18	6	26	7	6
	f1,055 for 5 months) To Bill Stamp			]		11	_
	£	4 687	4	1	4 687	4	1
!						_	

### EXERCISE VI-No 2 (contd)

	(Debit side)	Bank							
(3) (3) (9)	To Wilson & Jones Bills Receivable	£ s d - 9 1 083 - 9							
	CASH BOOK (Credit side)	Bank							
(2) (4) (5) (7) (8) (9)	By C. Culliver (d shoroured bill etc.) Charles & Son Emckwell & Hauph Vestham & Co. (dubonoured bill etc.) Frame & Co. (d shonoured bill etc.)	\$\begin{array}{cccccccccccccccccccccccccccccccccccc							
	EXERCISE VI.—No 3 (a)  SILVERMAN S LEDGER  Lr G GOLDSTEIN Cr								
jen i	To Eu is Payable   f   4   d   Apr 4   By Cath	125 s d							
	Or BILLS PAYABLE ACCOUNT	Cr							
Apr 4	To Cash 123 1 4 19 By G Goldsten	£ 5 d							
	Dr BANK ACCOUNT	Cr							
19 Ap	To G, Goldstein 125 s d Apr 4 By Bls Payab	e   f   s   d							
	C COLDSTEIN'S LEDGER Dr S SILVERMAN	Cr							
19 Apr	4 Ta Cash   f   19   Jan 1   By Bis Rece v	pble 125 : d							

EXERCISE VI-No.  Dr.	3 (a) (contd.) Bills Recrivable Account	Cr
Jan 1 To S Silverman		125 -
714	CASH Hoor (Hour Account)	~

	7.	CASH	Boo	K (I	BANK	A	CCOUNT]	•	Cr	
Jan I	To Bills Receivab	la 125	-		Jan Apt	1	By Banker's Discount ,, S. Selverman	ر ا ا	<u>-</u>	11

EXERCISE VI-No 3 (6)

### P PATERSON'S LEDGER

	I TATERSON'S DEDOEM	
Dr	I Ingram	Cr.
19 Mar 1 To Bille Pay	able .   13   4   Har 1   By Fills Receivable	130 - 4
D,	BILLE RECEIVABLE ACCOUNT	Cr.
Mar 1 To 1 Ingram	1	135 - 4
Dr	BILLS PAYABLE ACCOUNT	Cr
19 June 4 To Cash	15r   s   d   19   Hy I legrote .	133 4.
Dr	BANKERS' DISCOUNT ACCOUNT	Cr
19	1 6 1 4 1	TIT

June 4 Ta Cash	130 - Har I By I lagrate	1335
Ďτ	BANKERS' DISCOUNT ACCOUNT	Cr
19 Mar I To Bank		
Dr.	CASH BOOK (BANK ACCOUNT)	Cr
~	# 1 I E I	11 1 1

4.7	, .	CHAMPERO	Discourt 2	1000012	٠.			
19 Mar I	To Bank	. 4 7	4			_		
D	Dr. Cash Book (Bank Account) Cr							
19 . Mar 1	To Bills Receivable	133	19 Mar 1 June 4	By Banker s Discount Billis Payable	f 7 135 ~	:		

# EXERCISE VI-No 3 (b) (contd)

## I INGRAM'S LEDGER

Dr	P PATERSON	Cr
Mar 1 To B ils Payable	135 s d 19 Mar 1 By B its Rece vable	£ 130 2 d
Dr	BILLS RECEIVABLE ACCOUNT	Cr
19 Mar 1 To P Paterson	£ s d 19 Mar 1 By Bank	£ 130

Mar 1 To P Paterson	135 s d 19 Mar 1 By Bank	130 ° d
Dr	BILLS PAYABLE ACCOUNT	Cr
June 4 To Cash	f a d 19 Mar 1 By P Paterson	£ ; d
Dr	BANKERS DISCOUNT ACCOUNT	Cr
Ma 1 To Bank	£ 1 2 4	

June 4	To Cash	130	Mar 1 By	P Paterson	135	_	_
1	Or .	BANKERS DISCO	UNI ACCO	UNT		Cr	
Ma 1	To Bank	4 3					
	Or	CASH BOOK (BA	NK Accou	UNT)		Cr	
19 Mar 1	To B IIs Rece vable	135	19 Mar I By June 4	Bankers D scount B ils Payeble	£ 1	٠,	đ
	·				1		-

19 Feb 1 To E Evans

EXERCISE VI No	3 (c)	
	H HOOKER'S LEDGER	
D <sub>7</sub>	É EVANS	C <sub>7</sub>
19 Feb 1 To Bis Payabe	Feb 1  May 4  By Cath Cath Cath	£ s d 3 3 10 9 57 10
Dr .	BILLS PAYABLE ACCOUNT	Cr
19	ا ود الهايا	1 6 1 5 4

19 Feb 1 To Bis Payabe	115   1   19   1   10   10   10   10   10	f s d 3 3 10 57 10 9
Dr	BILLS PAYABLE ACCOUNT	Cr
19 May 4 To Cash	f s d 19 Feb i By E Evens	fits s d
Dy	DISCOUNT ACCOUNT	Cr

 $D_{\tau}$ 

Nay 4 By Balls Payable

### EXERCISE VI-No 3 (c) (contd)

To E. Evans

	E. EVANS' LEDGER	
Dr	H HOOKER	Cr.
Feb 1 To Cash Banker's I	Discount   1   3   6   19   3   Feb   1   By Edis Receivable   57, 10   -	1 - 4
	/IIS	010-1-
Dr	BILLS RECEIVABLE ACCOUNT	C+
Feb 1 To H. Hooker	113 Feb. 1 By Cash	[
Dr	BANKERS' DISCOUNT ACCOUNT	C+
Feb [ To Cash	t t t t t By St. Hocker	1 4 10 %
Dr	CASH BOOK (BANK ACCOUNT)	Cr.
Feb 1 To Bulls Recess	rable   115   -   d     19   By Hanker's Discount   Slay 4   By Hanker's Discount	56 19 3 57 10 -
EXERCISE VI-N	O 4 (a)	
No. 1.	DUE DATE 26th April, 19 LEEDS	
£669:8:11	23rd January	, 19
STAMP	Three months after dath pay to us or o	ur order
1 } }	Six hundred and sixty mine pounds, eight	shillings
7/-	and eleven pence walke received	
To MESSES. D.	ARLOW & WALSH.	- 1
Bolton	/ EARLE & CRE	ASY

### EXERCISE VI No 4 (b)

### JOURNAL ENTRIES

19 Jan 23	Darlow & Walsh To Bills Receivable Bill returned and withdrawn	659	s 14	8	£ 659	14	3
	Darlow & Walsh To Interest For 5% Interest charged on £659/14/8 plus £1/8/11/for 3 months	8	5	4	8	5	4
	Darlow & Walsh To Bill Stamp and Expenses	1	8	11	1	8	11
	Bills Receivable To Darlow & Walsh Amount of New bill including interest and expenses	669	8	11	669	8	11
	Bills Receivable To Darlow & Walsh Particul us of Securities—  (1) H G Bourne & Co \$20911.6 Feb 14  (2) Neville & Co \$173 4.9 28  (3) James Hordam \$891448 Mar 23  (4) Goorge Blakey \$82164 Apr 19  (5) Smith Wilks & Co \$1121129 Apr 26	667	19	8	667	19	8
	Bank To Bills Receivable For all above bills discounted	667	19	8	667	19	8
Гев 23	Bank To B lls Receivable For renewed bill of Jan 23 discounted	669	8	11	669	8	11
Mar 25	Darlow & Walsh To Bank For Bill No 3 dishonoured including Noting Charges of 7- 6d	90	2	2	90	2	2
Apr 4	Bank To Darlow & Walsh For payment to bank of value of Bill No 3 (dishonoured)	90	3	3	90	2	2
26	Darlow & Walsh To Bank For dishonour of renewed bill of Jan 23 and of Bill No 3	782	1	S	782	1	8
	£	4 306	12	1	£4 306	12	1

### EXERCISE VI-No. 4 (c)

	EARLE & CREASEY'S LEDGER
D.	Denvers & Mercus

	·		JAK:	UOW	& WAS	.sn		CF.	
19 Jan. 23 , 23 , 23 , 23 Mar 25 Apr 26	Expenses	90	14 5 8 2 1	8 4 11 2 8 5	Jan 23	By Bills Receivable Bills Receivable (surrendered as securities) Baok Balance c/d	667 90 114	19 2 2 2	8 2 5

### EXERCISE VI-No. 5

### JOURNAL ENTRIES

(A)	19 Oct	'n	Bills Receivable To Rhodes	105	-	à_	£ 105	-	d -
(B)	Dec	11	Hirst (bill broker)	100 5	=	-	105	-	_
(C)	19 Apr	7	Rhodes . To Hirst (bill broker)	105	-	-	105	-	-
				£315	-	Ξ	£315	=	

(4) The bill will require a stamp duty of 2s. The bill will be due for payment 4th of April, 19... (that is, 3 days beyond the period, or tenor of the bill)

## EXERCISE VI-No 6

### IONES'S LEDGER

ı	îr			BR	OWN		_		Cr.		
19 Jan. 1 # Bfar. 31	To Cash	296 3 300 600	5 15	4	Jan 1 June 30	By Bulls Receive Cash Discount Cash Bad Debts	ble	600 148 1 112 337 1,200	17 10 10	6 6 -	****

### EXERCISE VI-No 7

Bills under Discount should be stated in the Balance Sheet as a contingent liability, and entered short as under-

If it is known that £1000 worth of the bills discounted may not mature a reserve must be made against that possibility by a charge against Profit and Loss of £1000 and an equivalent amount credited to Reserve for Loss on Bills under Discount

An adjustment may be made with regard to the Reserve in the event of the actual sums (10s in £) being received

### EXERCISE VI-No 8

### Bs IOURNAL

				_			
19 Jan	I Bills Receivable To A For two bills drawn on him for \$2000 and \$4000 for 2 mos and 4 mos respectively	6 000	s _	d_	£ 6 000	-	d _
Mar	4 Bills Receivable To A For bill of £1 000 + Interest at 5% for 3 months	1 012	10	-	1 012	10	-
	A To Interest For charge of Interest—5% of £1 000 for 3 months	12	10	-	12	10	-
May	To Bills Payable For acceptances of 1 131/16/8 and £1 408/3/4 for 2 months and 3 months respectively	2 540	-	-	2 540	-	-
		£9 565	Ξ		£9 565		
		1			11 0		

Dr	Bs LEDGER SALES ACCOUNT	Cr
19	- I s d lan l By A	6 000 s d

It has been assumed that A would have received value before bills would be accepted by him.

### EXERCISE VI - No 8 (contd.)

EXERCISE VI - No 8	(contd.).		
Dr.	Α		Cr.
19 Jan 1 To Sales Mar. 1 Cash Cash Cash Jane 2 Riss Payabl. June 2 Ross Riss Riss Riss Riss Riss Riss Riss	6 of d 19 . 19 . 19 . 19 . 19 . 19 . 19 . 19	y Bulls Pecerratie . Bulance (/d	6,000 - 1,012 (0) 3,352 10 4 (10,965) - (-
Dr	BILLS RECEIVABLE ACC	OUNT	Cr
Jan I To A	6 (an Jan 3 6) 1,012 (7) - Mar 4 7	Cass	2,000 4,000 1,012 10 27,012 10
Dr	BILLS PAYABLE ACCOU	\T ~	Cr
July 7 To Cash Aug 7	1 131 18 9 May 4 ky		(2,14)
Dr	INTEREST ACCOUNT		Cr
	19 Mar 4 By		12 10 -
Dr B	NERS' DISCOUNT ACCO	UKT	C+
Mar 4 To Sundres	20 24		
Dr.	CASH BOOK (BANK COLUMN)		Cr
Jan 3 To Lais Receivable Nar 4	1 650 10 - Hac 1   1   1   1   1   1   1   1   1   1	canter's Discount  canter's discount (fishmooned bill) alla Fayable	13 3 53 - 19 16 3 - 19 16 2 6 6 1,012 10 - 1,131 16 8 14 9 3 4 2,393 13 8 (7,012 10 - 1)

	4	•
	ž	
	2	
	Y / Y .	
	4	
	į	

	Renarks	17   2   10 mmb   Apr   5   Acceptor—Creek Gold   16 mm   15		
	Da e	Apr S May 2 June 14 May 2 Ju 28	A c Dr	
	Tenor	19 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0 CV74 1 1 BLISE VAR & A C Dr	ľ
	Da e	19 19 19 19 19 19 19 19 19 19 19 19 19 1	Busk	
		" 50 E 0	-	
	Bal	, 9º 6 7	П	
	Amoun of Bu	1 2 3 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$4.V\$	
	-	6 S II	۵	<u> </u>
١,	noo.		0	Γ
	Ä	√a =	6	2
	2		_	_
	Date No of From Whom Recaved Fol Decount	Green & Cold ng 15 & Co 17 way & Lo d 18 And James & Co 18 And James & C 18 And Jame		
	No of	252225		
	Date	NAr 9		

# BILLS PAYABLE BOOK

	١		ĺ	١		١			ı					
23	No a	To Whom G ven	Fol	Foi D scount	scoun	-	₹•	Amont OBI	_	0 P	1 nor	Date	Remarks	
	**	S 5 c 43		ÿ	4	70	32	., 2	*	, g	2 0 10 105	May 5	Payes-Orden & Co. But e ed M. v.4	
22 22	252	Lonsda e & Sons Sowe by & Made		*	2 2	2	153		- 00 -	-23	10 days	4 4 2 2 2 3	Hon e Mar 24 Payee Loury & S rt	
_	283	T Ne olson G Graham		^			885	35	od m	ដែងត	25 4 no 15 Aug 1	Aug 2	Payee Garlner & Isb s er	
			_	7 2 91 517	9	1	01 \$1 570 3	2	2	- 3	SAVAR P A C CF	A c Cr		
	_			Ę,	Γ	Γ	L	L	L					

### EXERCISE VI-No o (contd.)

### IOUDNAT ENTRUCE

	Jour	var,	EN.	INTES	·				
19 Mar. 27	Interest			£3	s. 14	d 11	£	s. 14	d.
Apr 1	B Bearon To Bills Receivable	<u>.</u>		116	2	6	116	2	6
May 4	Bills Payable . To Phillip & Son	<u>:</u>	၂	237	16	4	237	16	4
4	Phillip & Son . To Bills Payable .			237	16	4	237	16	4
June 11	Mandrakes To Bills Receivable		:	120	12	6	120	12	6

# CASH BOOK

			(E)	анк	Commin	,		_	
Mar 12	To Bilis Repervable (No. 130) Bilis Repervable (No. 132)	£ 85 185	16	d. 10	19 Mar, 24	By Bills Payable (No 96)	£ 125	3. -	4

### EXERCISE VI-No 10

"Renewing" a bill is an arrangement by which a drawer of a bill withdraws the First bill and makes ont a fresh one. The new bill, is addition to the amount of the old one, will include the drawer's charges for interest and stamp duty.

### (A) WELT & DRAY'S JOURNAL

F. Frost To Bills Receivable		:		126	5 15	8	£ 126	5 15	d. 8
Bills Receivable To F. Frost .			_	127	17	6	127	17	6
F. Frost To Interest Stamp Duty	:	:	:	1	1	10		19 2	10
				€255	15	-	£255	15	Ē

### EXERCISE VI-No 10 (contd.)

F FROST'S JOURNAL

			1	s	d	£	s	1
Bills Payable To Welt & Dray			126	15	8	126	15	8
Welt & Dray To Bills Payable			127	17	6	127	17	6
Interest Stamp Duty To Welt & Dray	:	:		19	10	1	1	10
			£255	15		€200	15	-
	_							
(B)	s	STORM	s jour	NAL				
Jenkins & Co To Bills Receivable			226	5 14	d 11	£ 226	5 14	d 11
Bills Receivable To Jenkins & Co			230	-	9	230	-	9
Jenkins & Co To Interest ,, Stamp Duty	:		3	5	10	3	2 3	10
			£460	1	6	<i>£</i> 460	1	6
							1	<u> </u>
j	J	ENKINS	JOURN	AL				
Bills Payable . To S Storm	•		£ 226	5 14	d 11	£ 226	s 14	d 11
S Storm To Bilis Payable			230	-	9	230	-	9
Interest Stamp Duty To S. Storm			3	3	10	3	5	10
TOO STOLES .			£460	1	6	€460	1	6
			-		_		_	_

EXERCISE VI -No. 11

### T TALBOT'S JOURNAL

Bills Receivable , To A—Debtor	:	<i>:</i>	:	120	-	d -	£ 120	3 -	d  -
The above bill car (1) Discounted to (2) Endorsed to (3) Held until n	a cus	a baz stome	ker or l			nays	~		
JOLENAL (3) A—Creditor	ENTE	NES		120	5	d	£		d.
To Bills Receiva	ble	:	:	,			120	-	-
A—Debtor To A—Creditor	:	٠	٠	120	`~	-	120	_	_
Casii Book (I) To Bills Receivab If dishonoured-	ile -	•	•				120	-	-
CASH BOOK (6 By A-Debtor	CREDI	er sic	E)				120	-	-
(3) As for (1), assume sent to bank for					İ			ĺ	

# A-Debtor EXERCISE VI-No 12

wise, as under-JOURNAL ENTRY

To Bills Receivable

Methods of procedure are explained on page 173 et sea of Advanced Accounts

(2) D <sub>T</sub>	M's LEDGER B	Cr
19 1 Star 1 To Bills Payable	f   s   d   t9   By Bdl, Receivable	160 2 4
Dr	BILLS RECEIVABLE ACCOUNT	Cr
19 Mar 1 To B	100 - 4 19 By Bank	150 a a
Dr.	BILLS PAYABLE ACCOUNT	Cr
19 . June 4 To Bank .	109 = d 19 19 By B	100 = d

### EXERCISE VI-No 12 (contd )

Dr	BANK ACCOUNT	Cr
19 Mar 1 To Bills Recenable	160   s   d   19   By Discount Charges   160   s   d   19   By Discount Charges   160   By Discount Charges   16	f s d
Dr	DISCOUNT ACCOUNT	Cr
Mar I To Bank	£ 2 4 19	6 5 4
Note The tenor of	the bill has been taken at "three months	,
_	B & LEDGER	_
Dr	NI	Cr
Mar 1 To B Its Payable	100 a d. 19 By Bulls Receivable	100 - 4
Dr	BILLS RECEIVABLE ACCOUNT	Cr
Mar 1 To M	100 = d 19 Nar 1 By Bank	100 s d
Dr	BILLS PAYABLE ACCOUNT	Cr
June 4 To Bank	100 = 4 19 Nar 1 By N	100 a d
Dr	BANK ACCOUNT	Cr
19 Mar 1 To Bills Receivable	a 100 - d Mar 1 By Dascount Charges I Bune 4 Edia Payable	100 a a
Dr	DISCOUNT ACCOUNT	Cr
19 har 1 To Bank	£ 2 4 19	£ s d.
(3)	(A) Ls JOURNAL	
B lls Receivable . To M	Dr £ s d £	s d
To Bills Receival		

- 1	o Billa Pa	yable	:	:	:	Dr Cr	£	5	ď	£	5	d.
	Payable lo L ,	$\overline{\cdot}$	:		:	Dr Cr						ĺ_
		_	_	(C)	N's	100	RNAL					
	Receivable o L .	:	:	:	:	Dr Cr	£	5	ď	£	5	ď
ank T	o Bills Re	ceivat	le	:	:	Dr Cr			ı			

19 Jan. 6	IV Lyons—		£	s d £ s	
	150 tons Pig Iron @ 43/4 a ton Less 3% Trade Discount .	•	325		
	223 - /8 Frade Discount .	•	7	315 5	-
	Total of Invoice		-	£315 5	-

### SALES BOOK

			_	
19.		£	1	đ.
Jan. 2	James & Co - 20 tons 10 cw 2 qrs Steel Bars @ 103/4 a ton	106	-	11
			_	



### EXERCISE VI-No 13 (contd)

### BILLS RECEIVABLE BOOK

Date.	From Whom Received.	Tenor	Due Date	Au	ount	:
19 . Jan 7	J Kitson (Bill dated 4th Jan)	4 mos	19 May 7	í 178	10	ď.

### BILLS PAYABLE BOOK

Date	To Whom Grees	Tenor	Due Date	Amount			
19 Jan 6	W Lyons (Bill dated list Jan)	3 mos	19. Apr 4	315	5	d -	

### TRIAL BALANCE

Purchases Bills Receivable Discount Carnage Rent Salaries Wages James & Co J Butler Sales Bills Payable J Tasker W. Methley J Moulton J Kitson Bank (for Overdra		 :		2 315 178 1 2 100 25 75 106 35	\$ 5 10 2 11	6 4 1 11 2	106 315 47 39 45 178 107	5 10 15 10 3	111
			1	£839	3	11	/839	3	11

# EXERCISE VI—No 14 JOURNAL OF WILLIAM ASHTON OPENING ENTRIES

19				- 1	f.	s	ã	£	s	d
Jan 1	Freehold Works .			ı	9 127	10	-	1	П	1
	Fixed Plant	•			7 826		1	1	Į	
	Dry Dock	•			6 284		6	1		ı
	Loose Plant etc	•	•	- 1	2 788	-7	G		Ł	
	Expenditure on— SS Out				7 126			1	П	
	SS Hawk	•	•	- 1	4 291	1	1		1	
	SS Sparrow	•	•	1	835	1	-	1	1	
	Materials .	•	•		4 724	0	6		i	
	Bills Receivable—				7 124	3	0	1	1	
	Nos 186*		1329	6 6			ш		ĹΙ	
	187			10 -	1	ы	11		)	
	188			9 6	1	10			Ш	
	1	•	_	_	1 366	6			)	
	Cash at Bank .			- 1	2 796	8	8	1	Ш	
	Cash in Office				120	14	6			
	To Robinson & Co			- 1				984		
	]ones & Co			- 1	1	1	- 1	1 653		
	Brown & Co			- 1	1 1	Ī	- 1	648		-
	Mortgage (P Pıp Bılls Payable—	oer)				1	1	6 000		-
	Nos 135		£640		1	ļ	. 1			
	136 .		728			1	п		Ш	
	, 137 .	•	320	17 6	1	}	1	1 689	15	6
	Instalments on-			- 1	[ !	П	- 1		1	1
	SS Owl			1	1	1	- 1	6 649	1	
	SS Hawk				1 1		-1	3 500		-
	" Capital Account	•	•	- 1				23,760	7	6
	1			£	47 286	9	2	47 286	9	2

	s s	nenis on— S Owl S Hawk d Account	:	:			3	649 500 3,760	7	6
					£ 47 2	86 9	2 47	286	9	2
EXERCISE	VI—No 19	5 WHITING	S CA	SH B	оок				,	_
1932 Sepl 3 To	R Slurgeon	1 473 1	s a Ja	1933 af 4	By R S	ilmon		1 6		d
			ING S		GER					
Dr		B	SALE	ION				- (	7	
1832 Sept 1 To	Goods	1 500		1932 pt 1	By Balls	Receive	eble .	1.5	00	
1933 Jan 4 , 4	Cash Interest	1 000 26 I	6 8	in 8	By Italis (cost)	Receiv Interesi	able	11_	201	1
- 1		2.000			I			HELL	~~!	ΥĽ.

### EXERCISE VI- No 15 (contd.) Dr. R STURGEON $C_{\tau}$ 1932 1932 Sept. 3 To Bills Receivable By Cash - Discount £1.500 150 D BILLS RECEIVABLE ACCOUNT C 1932 1952 Sept. 1 In R. Salme 1934 To R. Salmon Dr DISCOUNT AND INTEREST ACCOUNT Cr 1932 1 4. 1933 To R Stargeon By R. Salmon Dr Cr SALES ACCOUNT 1932 1. By R. Salmon EXERCISE VI-No. 16. ROBINSON'S BOOKS PURCHASES BOOK SALES BOOK 19. Aug. 31 The Sheffield Mfr. Co -150 tons Conf @ 12/6 a ton Sept 14 150 tons Coal @ 7/6 a ton n-C--- 0---

Dr.	CASH BOOK		
To Sheffield Mig. Co.  Nov. 30 To Balance b/d	93 15 - Ang 91 15 - Ang 91 15 - 23 15 2	By Tack & Co   Disct   f   S   Carraste   (180 tons @ 173   130 tons @ 94.)	16 10 7 6 12 6 15 2 15 ~

### EXERCISE VI-No 16 (contd.)

### JOURNAL

19 Sept 14	Bills Receivable To Sheffield A Bill drawn at 2	Ianufacturing mos	Dr Co Cr	£93   5   d	£ s d 15 -
Nov 17	Sheffield Manufae To Bills Rece Bill due dishon	vable .	. Cr	93 15 - £187 10	93 15 -
			la la		
		LEDGE	ъ		
Dr		TUCK &			Cr
Aug 31 7	o Cash Discount		19 1g 31 By Pt	arch ases	£ 56 5 4
Dr	SHEF	FIELD MANUE	ACTURING	Co	Cr
19 Sept 14 Nov 17	(o Sales Bills Receivable	93 15 - Se	pt 14 By Bi	iis Receivable sh	£ 1 4 93 15 93 15 -
Dr	Ви	LS RECEIVABL	E ACCOUN	ī	Cr
19 Sept 14	To Shemeld Mig Co		19 ov 17 By St	effield Mfg Co	£ 1 d
Dr		TRADING AC	COUNT		Cr
19	To Purchases Carnage Inwards Cartage Inwards Profit and Loss A/C	£ 56 5 7 6 5 12 6 23 18 2	By Sa Di	les secunt on Pur chases	93 15 - 1 8 2
Dr	Pi	OFIT AND LOS	s Accoun	τ	C,
19	To Establishment Exps (10% of £56/5/) Balance Nar Profit	£ 5 d 12 6 18 5 8 £23 18 2	19 By To	wing Account	£ 3 18 2
			_!_		1 6 10 2

### EXERCISE VI-No 16, (confd)

### FORM OF BILL.

No 33.

DUE DATE 17th November, 19 ..

193 15 . 0 SHEFFIELD.

STAMP z/--

14th September 19 ... Two months after date pay to me or my order the

sum of mnety three pounds, fifteen shillings, for value received

To SHEFFIELD MANUFACTURING, CO SHEFFIELD

I. ROBINSON.

### EXERCISE VI-No 17

A "Bill of Lading" is the Captain's receipt for goods on board his ship, and containing his undertaking to deliver (on certain conditions) to the

place named in the document or to the person named therein or to order 'Drawing as against Bills of Lading' is a term used in connection with the drawing of a bill by a foreign merchant on his English customer, which bill (one of the vias) is placed in the hands of the bankers with whom the foreign merchant has discounted it before acceptance surrendering therewith a bill of lading as security for value stated in the bill. The bill of lading is one of the documents which would be attached to the bill of exchange See also Advanced Accounts, page 185 (under 'Documentary Bulls ')

### EXERCISE VI-No 18

(a)

INVOICE

EAST STREET.

SHEFFIELD

4th March, 19 .

THE LOW MOOR IRON CO ROUGHT of JOHN NIGHTINGALE

Iron Merchant

Terms .

40 tons Scotch Iron @ 45j- a ton

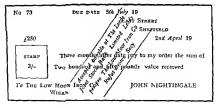
### EXERCISE VI-No 18 (contd)

**(b)** 

### STATEMENT

	East St	REEL				
		Si	EFFIE	LD		
			2	7th Jul	y 19	
OW MOOR TROVICE	9					
		IGAL	E			
·		Iron	Merci	hant		
		_				_
	1		d	£	5	ď
To Goods	} `		1	90	-	)
Goods •	1		1	168		} -
	Ŋ.		1	478		-
By Cash	200	-		.,,		ŀ
Bill's Receivable	250			450	-	i -
	COW MOOR IRON CO	COW MOOR IRON CO  DR to JOHN NIGHTIN  To Goods Goods Goods Coods	COW MOOR IRON CO  DR to JOHN NIGHTINGAL  Iron  To Goods Goods Goods Coody	SHEFFIE  2.OW MOOR IRON CO  DR to JOHN NIGHTINGALE  Iron Merci  To Goods Goods Goods Goods Goods	SHEPFIELD  27th Jul  LOW MOOR IRON CO  PR to JOHN NIGHTINGALE  Iron Merchant  To Goods  Goods  Goods  Goods  By Cash  Dur Receivable  220  220  478	SHEFFIELD 27th July 19  27th July 19

### d AND (d)



### EXERCISE VI-No 18 (contd ).

### (z)

	BILLS RECEIVABLE BOOK										
No of Ball	Date Drawn	Name of Acceptor	Tenor	Due Date	Amount	Remarks.					
73	19 Apr. 2	The Low Moor Iron Co	3 mot	19 July 5	£ 1 250						

# BOOKS OF LOW MOOR IRON CO.

### BILLS PAYABLE BOOK

No of Bill	To Whom Payable	Tener	Due Date	Fol	Amount			Remarks,
73	John Nightingale	3 проз	19 July 5		£ 250	-	4.	

Dr	LEDGER JOHN NIGHTINGALE	Cr _
far 20 To Cash P 2 , Bills Poyable , Balance old .	6 4 19 19 Purchases 20 19 19 Purchases 20 19 19 Purchases 20 1	220 163 1478 -

### EXERCISE VI-No 19

Dr		Y S CASH BOOK		C+
1937 Oct 1 1938 Jan. 1	To X To Bills Receivable X	\$ 5 d 1938 505 Mar 31   \$ 00   1   6   \$ 109 1   8	By Balance c/d	1 019 1 8
1938 Var 31	To Balance hid	1 019 1 8		
		YS LEDGER		
Dr		Х.		C,
1937 Oct 1	To Goods	t 450 d Oct 1	By Cash Bulls Receivable	1 200 - d.
1938 Jan 1	To Bills Receivable Interest	650 18 fan 1 1664 18	By Buis Receivab e Cash	650 14 1 8 £664 1 8
	L	17 -17		
Dr		INTEREST ACCOUN	r	C)
Dr		INTEREST ACCOUNT	By X	C7
Dr.	,	1938	ву Х	16 10 0
	To Trading Account	1933 Jan, 1	ву Х	£ 14 1 8
	To Trading Account	1933 Jac. 1	By X By X	£ 14 1 8
Da Mar 31	To Trading Account	1938   Jan. 1   SALES ACCOUNTS   1   1   1   1   1   1   1   1   1	By X By X	Cr   1   555   5   d
Da Mar St	Fo Trading Account	1933 193, 1 SALES ACCOUNT 1 555 1 0 0ct 1 3 1250 1 d 1338 1 250 1 d 1338	By X  By X  COUNT  By Cash	C7    \$\frac{\xi}{6} \frac{4}{1} \frac{d}{1} \frac{d}{8} \frac{d}{1} \frac{d}{1} \frac{d}{8} \frac{d}{1} \frac{d}{1} \frac{d}{8} \frac{d}{1} \frac{d}{

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EXERCISE VI-No 21

See Advanced Accounts paper 3 (under System of Accounting ) to 5 (inclusive) EXERCISE VI-No 22.

The Feety Cach Body cuttines as inadyes of petty dathersenents examples of which are carriage postages stationery and medium material. The Feety Cach Brook beause it relatives the principal Cash Book beause it relatives the principal Cash. See Advanced Accounts page 12 (under Bank Cash Book ) also pages 290 and 291 for examples of Cash Books

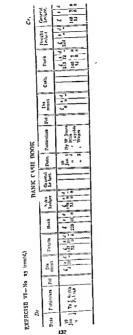
EXERCISE VI-No 23

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b											
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	Part culars		Dy Carriage	Postages etc Gas Account Office Cleaning		LOTAL LYPENDITURE	To Bank By Balance c/d			J	
	Date Part culars	19		Postages etc Cas Account			2 To Bank 2 By Balance c/d				
	Date	19		2 Postages etc Gas Account Office Cleaning			61 61				
	Date	19		Postages etc Las Account Office Cleaning			61 61				
				2 Postages etc Cas Account Office Account					123 1411		



### EXERCISE VI-No 24

### . . fracen

$D\tau$	A S L	B B	-	Cr		
jan 1 July 5 C Intere	t	19 Jan 1 July 5 5 5	By Blis Receivable Cash B its Receivable (a chaing Interest) Bils Receivable (a dialing Interest) B its Receivable (including Interest)	10 000 4 000 2 033 2 033 2 033 20 100	8	

$D_{T}$	BILLS RECEIVABLE ACCOUNT	Cr
Jan t To B , B	3 B Rs of 5 100 5 5 4 By C	10 800 -

_Dr	C (Banker)	Cr
Jan 4 To Billa Receivable B	10 000 By Discount Charges	10 000 S

	Dr	DISCOUNT	ACCOUNT				INTEREST	ACCOUNT	_	Cr		
✓ Jan		To C (Bankers)	£ 250	-	4	19 Jaly	ВуВ			100	s	1

### EXERCISE VI-No. 25

### JOURNAL OF MESSRS DODGER & CO.

19 Mar	'n	Ibbetson & Co To Commission	£,	17	ď	٤	2	d.
		2% of 457 To Discount 5% of £57 for 3 mos			1		14	3
•	1	Bills Receivable To Ibbetson & Co Bill drawn © 3 mos for total of invoice and charges	58	17		58	17	-
June	1	Ibbetson & Co To Bills Receivable Bill @ 3 mos withdrawn	58	17		58	17	-
,	1	Tobetson & Co To Commission 20' of 4/83/17)— To Discount 50' of £38/17]—for 2 mos	1	2	-		15 6	6
-	1	Bills Receivable To Ibbetson & Co Bill drawn @ 2 mos	39	19	-	39	19	-
			€160	12	1	(160	12	Ξ
		SALES BOOK	_					
19 Mar	1	Ibbetson & Co — 120 tons best House Coal @ 8.9	£	- 1	a	£	5	<i>d</i> .

	SALES BOOK	ς	
19 Mar 1	Ibbetson & Co — 120 tons best House Coal @ 8.9 Wagon Hire (120 tons @ 94.)	:	£ s d £ s d.  52 10 - 4 10 - 57 -
	Total of Invoice .		€57 -

	CASH (DEBT			·				
19 June 1 To Ibbetson & Co		:	:	:	₹ 20 39	3 19	d	

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	By Bills Receivable Casti B the Reservable	
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MESSRS IBBETSON & CO	57 s d 13 s 8 17 s 14 s 15 6 6	91 811)
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Dy MESSRS IBB	on 57 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	91 8(1)2

TRADING ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 19 S EXERCISE VI-No 20

	Factory	ory.	_	Shop		_	Total	=			Preto y	_	Shop	Total	_
To Stock 1st Mar Purchases Purchases from Factory	3 878 11 780		70	20 t 199	1 1	727	25 B 8 B	. 11	Py Goods Supplied to Shop Sales Stock 28th Fab		14 199 1 19 353 3 105 -	411	7 538 - 7 538 -	4 198 28 891 3 573	-e ( † (
Wiges Miltering Experses	8433	T	-	3 000	<u> </u>	9 9	6473 891 6725	111.							
4	26 657	凹	1	80083	1	121	98	1		-0	26 6.7	1	80087	34 665	

911 (7,007 Total ŝ ů ÷ . 269 (4,779 = Shop GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH TRERDARY, 19... 3000 000.63 - - 63.000 7 PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 28TH FREEDRY, 19., 2 662 Factory 3 723 Bad Debts Reserve, 1st Mar Less New Provided, Dy Net Profits of-Pactory • Total 2<u>2</u>2 1000 328 88 64,779 9966 7 2,108 Shop 2 644 Pactory 2 623 4 000 To DEPRESSATION Plant (10%, ot £3,280) EXERCISE VI-No 26 (contd.) Balance, Nx7 Profit to Cantilat Account ent, Rates, Toxos Light, and Ir A Walters (5% of (8 220) J. Smith (8% of (8 220) Shop Manager a Corronasion [2% of £3,000] Deprecation— Pixtures Jalance NRT Profits 1/d ayensel, etc. Walters, 5 ces (duc Ď.

136

# MESSRS WALTERS & SMITH

2 520 200 Sundry Debtors
Less Bad Debts Reserve BALANCF SHEET AS AT 28TH FEBRUARY 19 ASSETS Cash at Factory Bills Receivable Cash at Bank Cash at Shop Stock P 2 428 234 8889 Managers Commission (Shop) LIABILITIES Audit Fee (Shop) Capital Accounts-Sundry Creditors Rent (Factory) Rent (Shop) Reserves for-Bills Payable

2 569 2 457 3 575 589 931

> Fixtures and Fitti 1gs-Factory . Less Depreciation Shop Less Depreciation Factory Shop

> > 7 942

620 980 328 49

è .

> Plant and Machinery Less Depreciation

4 997 909

Share of Profit Balance 1st Mar

Less Drawings Add Interest

1

137

Add Interest Share of Proht

Loss Drawings

Ralance 1st Mac

310 9 154 322

6 200

### EXERCISE VI-No 27

# MESSRS WILSON & BOOKMAN

Dr.	FOF	TR	E	į.				р 31sт Весеми:	cr, 19			C+		
To Stock, 1st July Porchases(inching Govt Dat Manfetg Wage Bal, Gross Pro	4d- y)	£	1	đ	8,968 25 859 4 097 9 537 48 261	1	3	By Sales Less Returns Inwards " Stock, Sist Dec.	33,543 278	5	4	35 365 12 899 48 261	,	1

# MESSRS WILSON & BOOKMAN . Profit and Loss Account

To Salaries & Wager "Rents, Rates, and Taxes "Travelling Exps "Exps of Locuces "Insurance, etc.	6 5 4	1,100 - 1 262 1 130 1	By Trading Account Gross Profit Commission	£		£ 9 537 961	
Less Proportion of Presit prepaid Reps & Renewals Int and Disct Bad Debts Add yed Macmillian Dishd Ball Pad Debts Res. (5% of 46,200- 450)	7 10 -	32 19 - 337 587 - 412					- Park
Inf on Ceb A/45  A. Wilson (5° 6 fm £7,2°0)  J. Bookman (5% 6 m. £4,685)  Bal — Ner Profit	181 5 117 2 6	298 7 6					
to Capital A/cs A Wilson, i sh J. Bookman i sh	3 138 6 3 3 138 6 3	6,276 p2 6		1	1	0 101	

## EXERCISE VI-No 27 (contd)

## MESSRS WILSON & BOOKMAN BALANCE SHEET AS AT 31ST DECEMBER 19

LIABILITIES Loan Sundry Cred tors Capital Accounts—	£	z	2	2 000 5 963	s -	ß	Assers. Cash Bank	£ 53 1 897	5	d -	€ 1 950	1	d
A Wilson Cap tal 1st July Add Interest Sh of Profit	7 250 181 3 138	5 6	3				Bills Receivable Sundry Debtors £ Less Bad Debts 50 Bad Debts	6 200	-	-	950	-	-
Less Drawings  J Bookman Cap tal 1st July Add Interest	10 569 640 4 685 117	11	3	9 929	11	3	Fixtures & Fitt ags Plant & Machinery Proportion of Insur	357	10	-	5 842 12 896 897 2 880	10	
Sh of Profit Less Drawngs	3 138 7 940 410	8	9	7 530	8	9	ance Prem prepaid				7	10	-
			£	0 423		-				£	28 423	-	-

## EXERCISE VI-No 28

# STANLEY MAIN COAL CO S BOOKS JOURNAL ENTRIES

19 Jan	1	Messrs Ricksmith Pigg & Co To Wagon Hire	437	s 10	đ	£ 37	s 10	ď
		For charge of 9d a ton for wagon hire on 1 000 tons		П		1		Į
,,	1	Mesers Ricksmith Pigg & Co To Carriage For charge of 2/6 a ton carriage on 1 000 tons	125	-		125	-	-
"	1	Screening Account To Messrs Ricksmith Pigg & Co For allowance of 6d per ton for screening	25		-	25	-	-
•	I	Bills Receivable To Messrs Ricksmith Pigg & Co For acceptance at 2 mos	512	10		512	10	
			1700	-		£700	_	Ē

## EXERCISE VI-No 28 (contd)

### SALES BOOK

			D		
Jai	9. n	Messrs Ricks 1,000 tons	smith, Pigg & Co— Coal @ 7/6 a ton .		£ s. d 375
			LEDGER		
	D	. M:	essus Ricksmith, P	igg & Co	Cr
19 Jan.	1 1 1	To Sales " Wagon Hire " Carnage.	\$12 5 4 19 19 125 125 1 5 4 19 19 19 19 19 19 19 19 19 19 19 19 19		£537 40 -
			ocords" relate to on	ity one month	
EXE	RC	15E VI-No 29	P'S LEDGEI		
	Dr		0	•	Cr
Jan. May	3 3	To Goods , Bulls Receivable Interest	200 Mar	By Bills Receivable Cath Bills Receivable	600 - 50 151 17 6 £601 17 6
	Dr		BILLS RECEIVABLE	ACCOUNT	C#
Jan. May	3	70 Q	600 3 4 500. 3 151 17 6 Apr 3 May 3	Discount Bank Q Bank	200 - 130 S 9 1 1 1 9 2751 17 6
	Dr	Disc	OUNT AND INTEREST	Account	C+
Jan May	7 10	To Bills Receivable Bills Receivable	1 14 4 May 3 1 11 9 10	By Q Profit and Loss	1 17 6 8 7 22 6 1
		1	PROFIT AND LOSS AC	COUNT	
		To Dissount and he terest Account	6 s d	-	1
FXE	₹120	ISE VI-No 30			

See Answers at end of Advanced Accounts

## EXERCISE VII-No I

## R RANDOW & SONS JOURNAL

19 Sept 1	Consignment Account	₹ 578	5	d	£	s	d.
Sept 1	To Goods on Consignment "Freight "Insurance For invoice value of goods shipped to Paul Gold Capetown	3/8			500 60 18	41.1	
Oct 28	Paul Gold To Consignment Account	460	-	1	460	4	-
	Consignment Account To Paul Gold For expenses £10 and commission £25	35		1	35	1	-
Oct 28	Bills Receivable To Paul Gold	425	-	1	425	-	-
Nov 2	Paul Gold To Consignment Account	320		-	320		L
	Consignment Account To Paul Gold For expenses £8 and commission /10	18	-	1	18		-
Nov 2	Bills Receivable . To Paul Gold	302		-	302	1	-
		£2 138		3	£2 138		Ξ

				1	
/J D		RANDO			C+
Sept 1 , Oct 28	To Goods on Consign stient Freight Insurance P Gold Balance c/d (Frent tor per od)	£ 1 d 500 60 18 30 127	19 Oct 23	By P Gold Goods on Cousign esent unsold c/d (including propor tion of expenses)	£ £ d 280 -
Oct 28 Nov 2	To Balance b/d (unsold Goods) P Gold Balance to Profit and Loss	250 - 18 - 149 - (447 -	Oct 28 Nov 2	By Balance b/d (Profit on part sale of Goods) "P Gold	127 - 3°0 £447

EXERCISE VII-No I (contd)

Dr.	PAUL GOLD	Cr.		
Oct. 28 To Consignment	- 400 - Oct 28 By Consumment , Bulls Receivable	£ 35 425		
Nov 2 To Consignment	. 320 - Now 2 By Consequent , Bills Receivable	18 ~ ~ 302 ~ ~		

Dr	BILLS RECEIVABLE ACCOUNT	Cr
Oct 28 To P Gold	425 0 4	
Dr.	FREIGHT AND INSURANCE ACCOUNT	Cr
		1.1

(Note -Expenses assumed to have not been paid)

EXERCISE VII-No 2

	DELIGNE BROS JOUR	INAL	_	_		T	ī
19 Oct 15	Consignment Account To Goods on Consignment For shipment of 60 cases mixed Shef field goods at 422 10s per case to Donnison & Sons Port Elizabeth	1,950	5	d	ź 1 950	3	d
Dec 19	Donnison & Sons To Consignment For gross proceeds of sale of goods con signed to him as per account sales	2 855	1		2 855	-	-
" 19	Consignment To Donnison & Sons For expenses and commission as per account sales	125	11	6	125	11	6
		£4 930	11	6	(4,930)	11	6

An ACCOUNT SALES is a document containing particulars of the Gross proceeds of the consignment sold together with details of expenses charges and commission in Connection therewith The document is prepared by the CONSIGNEE

### EXERCISE VII-No 2 icontd )

A CONSIGNMENT ACCOUNT is raised in the Consignor's Ledger and contains particulars of-

- - (a) Goods sent out on consignment (b) Particulars of their sale by agent
- (c) Particulars of expenses charges and commission in connection with above

ACCOUNT SALES OF 60 CASES MIXED SHEFFIELD GOODS sold on account and rick a Moser. Delmane Bros. I on ton

		and risk o Messry Delmame Bros	1 on '	רס		-	_	-
_ 19		•	£	5	4	£	5	đ
Dec	la	30 cases Mixed Sheffield Goods @ [45]				1 350		l -
	17	25 cases Vixed Sheffield Goods @ £50 per case				1 250		١.
	19	5 cases Vixed Sheffield Goods @ 451 per case			ı	255		-
	Ш				1	2 855	Γ	-
		CHARGES Storage Landing Charges Insurance Corimission—90, of 42 955 Del credere Commission—14% of £2 855	18 5 2 57 49	10 11 2 16	6	125	111	6
		Net Proceeds Bill dra vn Nov 1			ł	2 729 1 000		6
E &	OF	Port Ehzabeth 19th December 19 Donnson & Son			-	£1 729	8	6

## BILLS RECEIVABLE BOOK

Date No of	From whom R or ved Term	Due Date   Fot	D	ξαφημ	t	A	noun	
19 Nov t	Donn son & was		£	ŀ	4	1 600	,	d

Di					ROS I	EDCER DUNT		Cr	
19 Oct. 19 Dec 19	To Goods on Con s guillent Cash D Donn son Balance to Front and Loss	£ 1 950 68 125 710	19 11 9	6	19 Dec 19	By 10 Donn son & Sons	£ 2 855	,	4

EXERCI Dr	SE VII—No 3 (contd.) D. Donvison & Sons		Cr.	
	2,555   -   -   19	1,000 12:0 1,729 £2 855	11 8	-
Dr	BRLS RECEIVABLE ACCOUNT		Cr	
19 Nov 1	to D Donuson d. Sons 1,000 -			
Dr	Cash Book		C+	
	Oct 15 By Commentation—  John and Francisco  Francisco  Study Cops	54	12 12 13	4
EXERCIS	E VII—No. 3 J MOSS & CO's JOURNAL			
19 .	Consignment Account To Goods on Consignment For goods sent to J Solomon, Hong	£ 1,500	s	a
	Bills Receivable 1 300	1,300		-
	J Solomon To Consignment For gross proceeds as per account sales	1,729	-	-
	Consignment Account To J Solomon For expenses and commission as per	71	-	-

(4,615

account sales

Consignment Account.

To Bankers' Discount

For loss on bill discounted

## EXERCISE VII-No 3 (rentd)

ERC	ISE AIT-NO 3	(rentd)			
D	<i>-</i>	CASH	воок		Cr
		Bank,			Bauk.
19	To B lls Rece vable J Solomon (Sghi	t Df ) 358 s d	(9	By Con gnment A/c— Freght Insu etc Bankers Discount Balance c/d	55 15 15 1 585
n	,	LOARIGNMEN			Cr
19	To Goods on C/men Cash Bankers D set J So omon Balance to Profi and Loss	53 15	19		729 s d
D	),	J Soz	νονα		Cr
19	To Cous nuseat	1 729	9	Contigument Cash	500 71 358 7°9
	) <sub>r</sub>	Bills Receiv		lecours.	Cr
19	To J Solomon	1 500 5 4	19		£300 1 d
	)r	BANKERS DISC	OLVI	Ассовну	Cr

## EXERCISE VII -No 4.

### \_\_\_\_

Cr

# JOINT VENTURE ACCOUNT (AN ACCOUNT OF SPECULATION IN TIMBER Dr. BY T TORY AND F FRIEDLEY)

n 23   Loading   Freight to London   Feb 26   Cash   Shipping Charges and Freight   Int on Cash   Int on Cash   Toom	1 1,027	13	8 5 11	May 27 Apr 15 May 31	F Turner L Late F Froofley (a partner)	1,472 10 B
(136 days) P Friedley	8	7	8			
(136 days)	10	4:	l u l	1 1		0 11
b Balance (Profit) to Capital A/es T Tohm	120	,,				
F Friedley	147		*			<i>!</i> !
9. spare	£2 398	_		)		r2 358 - II
	2 348	-	"			£2 388

#### D, T TORM-YORWAY Cr May 20 To Balance c/d Jan 15 By Cash Hay 3t (for 136 days) 120 ., 31 are of Profit (3. of £268 11 6) £579 6579 €579 May 31 To Cash £379

## EXERCISE VII-No 4 (contd.)

υ.	•	г	RIE	DIL	r—Engi	LAND		Cr	
19 May 31	To Joint Venture (Timber taken over)	200	8	ď	19 Jan 15 May 31	Interest (for 136 days)	\$50 10	7 4	d 11
31	Balance c/d	387	11	3	31	Share of Profit (1) of £258/11 6)		14	4
		£707	19	3	l i		£707	19	3
May 31	To Cash	387	11	3	May 31	By Balance b/d	£387	11	3
D	,		CA	SH	вооь			C+	
19 Jan 15	To Capital Accounts	£	,	d	19 Jan 23	By Joint Venture -	£		d.
Jan 10	T Tohm	450				Loading	36	15	6
Feb 21	F Friedley	550 175	7	1 5	31	Freight to London	123	14	5
May 15	Bills Receivable	1 472	10	6	Feb 26	_ foint Venture	1 027		-
					16 06	a Joint venture	1 027		
	(L Lots a ne ceptance)	1	1		Mar 25	Sh pp ng Charges and Freight	225	10	111
, 30	ceptance) Bills Receivable (F Turner a acceptance)	420		-	Mar 25 Apr 24	Sh pp ng Charges and Freight B lis Payable (Our accept ance to P Rus		10 16	11
, 30	B lis Receivable fr Turner s	420		-	Mar 25	Sh pp ng Charges and Freight B lis Payable (Out accept	225	16	11
, 30	B lis Receivable fr Turner s	420	12	11	Mar 25 Apr 24	Sh pp ng Charges and Freight B lis Payable (Our accept ance to P Rus sphy)	225 687	16	11 11
, 30 May 31	B lis Receivable fr Turner s		12	11	Mar 25 Apr 24	Sh pp ng Charges and Freight B lis Payable (Our accept ance to P Rus sphy)	986	16	1

## EXERCISE VII-No 5

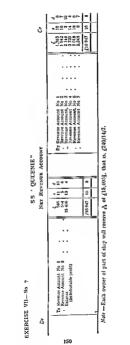
## P POTTER'S JOURNAL

19 July 1	Consignment Account To Goods on Consignment For 1,150 tons Iron invoiced (pro- forma) at 528 6d per ton and sent to K Kettlewell, New York	3 É 18	s 15	d	£ 3,018	1	
Sept 1	Kettlevell   To Consignment   To Consignment   To Consignment   To Consignment   For net proceeds of Account Sales, sent by Kettlewell, the particulars or which are set out below   222 tons @ 14 59   4,359.00   300	3,406	2		3,406		3
Sept 1	\$16 349:35 % 4/2 = /3 406 2s 3.1  Bills Receivable.  To K Kettlewell  Bill at 60 days for amount of NET proceeds, as per Account Sales	3 406	2	3	3,406	2	3
Oct 30	Difference in Exchange (Loss) To Bills Receivable	49	19	2	48	19	2
, 30	Consignment Account. To Difference in Exchange (Loss)	43	19	2	48	19	2
	(For transfer of loss on bill)	m 000		10	19,928	17	10

## EXERCISE VII No s (contd.)

EXERC	ISE VII No 5	(contd)		
		P TOTTERS	LEDGER	
D <sub>7</sub>		CONSIGNMENT	Account	Cr
19 July 1 Oct 30 , 30	To Goods on C/ment Cash Loss on Exchange Balance (guin) to Profit & Loss	3 018 15 Se 175 15 9 48 19 2	19 By Keitler	vell 3 406 2 3
Di		К Кетпа	MELL	Cr
19 Sept 1	To Consignment		pt 1 By Blts R	ece vable 3 406 2 3
D	,	BILLS RECEIVABL	E Account	C+
19 Sept 1	To K Kettlewell	3 406 2 3 O		ace n Ex ge (Loss) 48 19 2 43 406 2 3
D	,	CASH B	оок	C <sub>7</sub>
19 Oct 30	To Balls Receivable		19 aly 1 By Cons gr (Freigh	nment 175 15 4 15 9
EXER	CISE VII-No 6	,		
		B BAILEYS	LEDGER	
Ľ	r	JOINT VENTUR	Account	Cr
19 May 2 2 2 July 31 31 ,, 31	To Goods on Joint a Stock Expenses of Pr (2%) of £2 000 Cxpenses of Sal of £4 850;18/2 L. Phipps (£7 £1 960) Balance to Prot Loss	75.) archase 40 e (3% 146 18 2 of 691 15 4	19 July 31 By L. Ph (Gri	pps s d 4 896 18 2

Note  $44750 = \frac{27}{100}$  of Sale Price of Goods Hence, to arrive at Gross Proceeds 44750 must be multipled by  $\frac{100}{100}$ 



EXERCISE VII		ļ	
RCISE	į	E	
EXERCISE			
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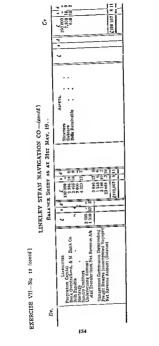
Ò	2 E 21 82 1 8 2 1		ed								7 13 279 1411
VOYAGE ALCOUNT	By Fre chts Larned-	A N CO S	Sh pp of Fres Received " Sale of Old Stores								
YAGE A	1	-				2 9	<u> </u>			00 € 9	=
Voy	"	96	ž	1		:	1 1 2 2 2	-	9	3 248	13 279 14 11
	£2   2   4	4	क क क क संस्थान संस्थान	F66	440	w 1-		44.00	_ m		7
	- "E	68 13		25.23 20.4	133	8 =	-	1956 156 15 15	786 17	-	
	35	4.0	1275 47 898 7	52.22	200-	g <sub>c1</sub>	<u></u>	£2.	88		_
EXERCISE VII—No 8 Dr	Ę.	Cash to Captain Advances to Craw	Port Expenses at L— Fort Charges and Datbursements Functad Expenses General Avarage Charges Tobacco	Port Expenses at M— Cost to Captain Fost Charges and D abusements Cla ms on Cargo Advances to Crow	", Port Expenses at N— Port Chapters and Disborsem att Cast to Captain Stady Stores	Port Erpmese at 0— Port Charges and D Spursoments Advances to Grew Tobacco	Total Port Fapenses Outfit and Provisions Wares (Las Porteried Wares)	Insurance Premunea— Fre gat and D shursen at a Protection Indomesty Extra Insurance at N~~	Commus ons— Charterer's Management (2°, of £13 247/9/8)	Brokerage Profit on Voyage	

FERENCIS WIL-No 9 This is as Example on pages 235 and 236 of Administed Accounts except that it uses double the Egures employed in the Example

2	
VII-No	
EXERCISE	

	APRII,
	28тн
	2
	:
Ä	19
THE GLENISLA STEAMSHIP CO. LID.	VOYAGE ACCOUNT OF SS "GENISLA," FROM 27TH FEBRUARY, 19 ., TO 28TH APRIL, 19
AMSH	27TH
STE	FROM
GLENISLA	GLEMISLA,"
떮	:
ä	55
	E.
	ACCOUNT 6
2	AGE.
oN.	Vov
E VII-N	
5	
凹	

	7.5.5.6.16	£ 75 616 14	ů	217 80 9 7
R ENDED SIST DIAY 15	By Fraghts Larned		THE	By Revenue Account
KEVENUE ACCOUNT FOR THE HALF YEAR ENDED 31ST MAY 19		75 616 14 4	NET REVENUE ACCOUNT	2 d f s d s d s d s d s d s d s d s d s d
KEVENUE ACCOUNT	To Brokenge and Commission A Coceaning Recent Programme Recent Programme Recent Prof. Cleg. & Drightscent Preserved Prof. Cleg. & Drightscent Preserved Pres	CL D		To Underward and Accor at C. 1. (C. 1. (C. 1. C.
:			Ď	F



₹ 26 500

THE HANSARD ESTATE ACCOUNT Cr

### EXERCISE VII No 2

Morrison & Co

Peters & Son

Dr

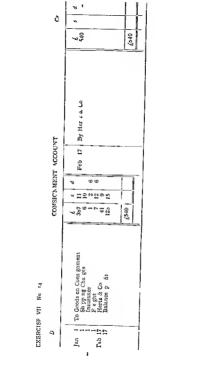
19 July 1 Aug 2 2 2 2 18 23 Sept 20	To Balance Insurance Commiss on Insurance Commiss on J Gray Smith Goods	3 / 25   6   2   2   3   3   2   3   3   3   3   3	730 16 2 4 2 4 2 4 4 4 4 4 4 4 4 4 4 4 4 4 4
D		J & W SHIRLEY	Cr
Aug 17 Aug 17 17 Sept 10 20	To B lis Payable  Goods  To Balance b/d	1	\$900 15 4
EXER	CISE VII—No	BALANCE SHEET	
Sundr Capit W	LIABILITIES by Creditors of Accounts— James Edwards	6 000   s   d   Assets   Cash   Bills Receivable   .	18 700 s 7 800 -

8 200

## EXERCISE VII No 13 (contd.)

## JOURNAL ENTRIES

19.	SS Emid	20,000	5	đ	£	5	đ
	To Capital Accounts— tensis: W James 1 F. Ldwards 2 Morrison & Co 4 Peters & Son 3		-		2,000 4 000 8 000 6,000	1	-
	Cargo Account To Sundry Creditors	6,000	1	1	6,000	14	-
	Voyage Account To Cargo , Cash (Insurances on— Cargo, 1% of 17,000 70 SS Entd 11% of 22 000 330			-	6,000 400	1	-
	Cargo (Net Proceeds of Sale thereof) (Cash (Freight Outwards)    Homewards) To Voyage Account	7,000 100 800	10.0	1	7 900		
	Cash Voyage Account To S S End	1,000	-	- 2	000 00	-	_
	Sundry Debtors To Cargo Account "Freights Earned (Homewards)	7 800	1	1	7 000 800	1	:
	Bills Receivable To Sundry Debtors	7 800	1	ı	7 800	Į.	
[	Voyage Account	500	4	1	1	Т	
	To Capital Accounts— TENTIS  W James 1  F Edwards 2  Morrison & Co 4  Peters & Son 3	77 400		77	50 100 200 150		
1	4	77 400	1	77	.400	E	



### EXERCISE VII-No 15 (contd)

## LEDGER

Dr.	CONSIGNMENT ACCOUNT	Cr
19 Jan 1 To Goods on Coment Cash Ardiasher & Byja Bal to Profit and I	f <sub>2</sub>   5   4   Mar   13   By Ardkash r & Byjam   10   10   10   10   10   10   10   1	g 2329 s d

## MESSRS ARDKASHIR & BYJAMJI

D	r.	C.	ASH	воок		Cr		
19 Mar lo	To Sales	Rs 4 935	A P	19 Mar 13	By Messrs Faudel Philipp & Son- (For expenses as below) Landing Haulaga etc. Dutv etc. — 0% Bank Brokerage , h°s By Faudel Philipp & Son	246	12	

## EXERCISE VII-No 16

### FORM OF ACCOUNT SALES

ACCOUNT SALES of 400 tons Iron ex 5 S Dilwara sold by B Ready of Capetown for the account and risk of W Smith London

					_	
400 tons Iron @ [4/10/ per ton	£	s	d	1 800	8_	ď
Charees Disbursements Commission—2½% of £1 800	20 45	16	8 -	65	16	8
E & O E CAPETOWN  20th February 19  B READY			£	1 734	3	4
Draft forwarded for 11 734/3/4						

KEY TO ADVANCED ACCOUNTS

## FORM OF DRAFT (BANKER'S)

07812

THE BANK OF SOUTH AFRICA

L 27/8731

EXERCISE VII-No 16 (contd)

CAPETOWN, 20th February, 19...

To the CASHIERS of the BANK OF ENGLAND

On demand pay this First of Exchange, second unpaid, to the order of W Smith, One Thousand seven hundred and thirty-four pounds three shillings and fourpence Sterling, for value received

For the BANK OF SOUTH AFRICA £1.734 3

STAMP

Manager Accountant

W SWITH'S LEDGER CONSIGNMENT ACCOUNT

Jan i	To 500 tons Iron @ £4 a
Feb 20	, B Ready (charges) , B Keady
20	B Ready (21% of (1,800) Bal to Profit and Loss

Dr



20	By B Ready (400 tons) (from #2 (4) a ton)	1,100	R.	4
	, too tens iron @ [4 a	400	-	-
		(2,200		=

Cr

Dr		B KEADY	Cr		
19 Feb 20	To Consignment	1   1   1   1   2   2   2   2   2   2	20 1,731 £1,800	16 8 3 4	
Feb 20	To Balance b/d	£1 734 3 4 Feb 20 By Cash	£1,734	3 4	

## EXERCISE VII No 17

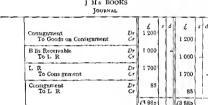
## JOURNAL ENTRIES

-	- 1		ш	. 16		V. I	6.
19 Dec 20	Joint Account To W A Sims For 159 cases of shells shipped by W A Sims per S S Ajax for sale of Joint Account	299	s 1	d	£ 299	s	d -
Feb 4	W A Sims To Bills Payable For bill accepted (No 319) presented by Chartered Bank	299	E		299		-
Mar 10	Watts & Co To Joint Account For sale of shells by Watts & Co at auction	366	8		366	8	-
. 10	Jo nt Account To Watts & Co For commission charged by Watts & Co	9	3	2	9	3	2
26	Joint Account To Commission	9	16	1	9	16	1
26	W A S ms To Joint Account For transfer of share of loss on venture	5	3	7	5	3	7
		€988	12	10	£988	12	10

Dr MES	SRS BURT & CO S	LEDGER G	
19 Dec 20 To W A Sans 19 Feb 4 Mar 24 24 Cash Commiss on	£9 1 1 19 Mar 10 E 20 93 7 6 26 9 3 2 2 9 16 1	Sy Watts & Co Cosh W A S ms Bol to Profit and Loc	\$ 4 \$ 7 3 8

## EXERCISE VI. No 18 (contd.)

#### CAPITAL ACCOUNT Cr Dт KOWARD THOMPSON 19 £ 000 May 1 Dec 31 By Cash າ ຄິດດ Dec 31 To C sh to t Account 200 200 (sha s of profit on venture) £1 200 £1 200 EXERCISE VII-No 19 I Ms BOOKS TOURNAL



## CASH POOK (Credit Side) £

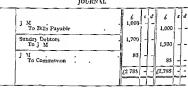
## £ £50 By Consignment (Expenses)

		LE	DGER				
Dr	Co	SIGNM	вът Ассо	UNT		Or.	
Cash L I	s on Consignment L. R (Charges) ts Expenses and norms on note profit	£ 2 1 200 50 85 365	2	By L. R.	15	000	
	J)	1 700		1	£1	700	7

## EXERCISE VII-No 19 (contd)

Dr	LR.		C+
To Consignment  To Balance b/d	1,700 2 4	By Rule Receivable Consignment Balance c/d	1 1 000 85 615 £1 700

## L R'S BOOKS JOURNAL



## LI DGER

1 7	J 1/12		C,
To Compussion Bills Payable Lalance of	f 83 2 4	By Sundry Debtors	1 700 3 4
Lalance eyo	£1 700		£1 700 -
		By Bata er b/d	£612

### EXERCISE VII-No 20

ACCOUNT SALES OF GOODS SOLD BY MR J ROWLAND DURBAN SA FOR THE ACCOUNT AND RISK OF MESSES ROST PRENTICE & CO

Sales Value realized by Compensation under Surveyor s Certificate 10 16 ₹587 Charges etc Whart Charges Duty on 4945 16s 6d @ 221% 16 2 Commission on 4587 0s 9d @ 71% 261 £325 16 5

E & O E Sight Draft for £325 16s 5d herewith Durban S A Tune 30th 19

D*	Mess		DGER Prentici	& Co Ltd	Cr
19 May June 30 " 30	To Whart Charges Duty Commission Bills Payable	\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	19 16 8 Nay 16 8 8 16 8 16 9 5 24	By Cash R Edwards K Lane D Carden Compensation	50 242 12 12 9 194 16 5 88 13 4 10 16 3 £587 9

## EXERCISE VII-No 21

The credit balance of the Debenture Redemption Fund Account of £41 645 should be transferred to a Capital Reserve and will be available for distribution as profit

## EXERCISE VII—No. 22.

Dr	CAPITAL ACCOUNT	Cr
19 Jan Dec Dec. 31	To Gash.  Balance, c/d  1 100 - 1 d De 31  1 200 E 31	2,206 14 10 1,190 £3,396 14 10 1 896 14 10
Dr	WOOL ETC, ACCOUNT	Cr
19 Dec 31 19 Dec 31 31	To Bolance   \$\frac{1}{4} \frac{5}{200} \frac{6}{4}  \frac{19}{190} \text{ Dec.} \text{ By Cath (Proceeds years \$\frac{5}{2}\text{ Bin)}} \]  "In Electric to a Advance   \$\frac{969}{3} \frac{5}{4} = \frac{1}{3} \text{ Bin (Proceeds years \$\frac{5}{2}\text{ Bin)}} \]	50,000 s s
Dr	ADVANCES ON WOOL ETC. ACCOUNT	Cr
19 Jan -Dac Dec. 31	To Cash , Cash (Interest) , Cash (Interest) , 29 900	39,000 950
Dr	EXPORT TRADE ACCOUNT	Cr
Jan -Dec	To Sundry Creditors 24,000 - 1 Jan - Dec. By Export Agents Cache (care of the care of the	22 500 5,700
Dr	EXPORT AGENTS	Cr
19 Jun -Dec.	To Export Trade A/c 22,500 - Jan Dec By Bits Receivable Dec 31 Ry Balance c/d	21 000 1,500
Dec. 31	To Balance b/d 1,500 -	11-

6 24 250

## EXERCISE VII-No 22 (contd.)

Dec. 31 To Ba ance b/d

Dr	CONSIGNMENT ACCOUNT (AUSTRALIAN)	Cr
Dec 31 19 Dec 31	Balance	9 3300 s d 1 050 -
Dr	BANK OF AUSTRALIA	Cr
Jan Dec Dec 31	To Cach. (Coan Mps d)	8 000 2 d 400 -
$D_r$	SUNDRY CREDITORS	C <sub>r</sub>
Jan Dec Dec 31	To R tin Payable 22 000 5 4 Dec 31 By Briance Cuth Country of Coun	3 500 = 4 24 000 - 27 500 6 000 -
D,	BILLS RECEIVABLE ACCOUNT	Cr
19 Dec 31 19 Jan Dec.	To Balance 3 2 2 5 5 2 1 2 19 Dec 8 y Cash (B lbs matured) Cash [B lb d serior of 2 1 000 1 - 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1 j la 000   -

## EXERCISE VII-No. 22 (contd ).

Dr		BILLS PAYAR	SLE ACC	OUNT	Cr.
Jan -Dec. Dec. 31	To Cash Bulance old .	24 000 - 3,500 -	19 Dec. 31 19 JanDec.	By Balance	7,500 20,000 27,500

## OFFICE EXPENSES, SALARIES, AND RENT

Dr			COUNT	IES, AND KEN	Cr.
janDec.	To Cash	2,550 -	Dec. 31	By Profit and Long	. 2,30

# Dr INTEREST ACCOUNT Cr

19 jan,-Dec.	To Discounting Sills of Exchange	450	19 Dec. 31	By Profit and Lon A/c .	450 - 4

#### CASH BOOK Dr C+ (BANK COLUMN) Dec. 31 19 To Balance 1 756 14 10 Jan. Dec. By Export Trade A/c Freight £2,760 Engrance 250 an Dec. Bills Receivable 7 500 15 000 Bills Receivable 3010 (Discounted) Sundry Creditors 1,500 Root, etc , A/c .0 000 Sundry Greditors Bills Payable Intrest Charged by Bankers for Discounting Bills Advances on Wool 24 000 Consumment 4/4 93.0 (Austrahan) 450 no mon i etc, A/c Do. ('nterest) Bank of Australia 950 8,400 (uncluding lat.) Office Exps., etc. 2,350 1,500 rawings. 2 446 14 10 Dec. 31

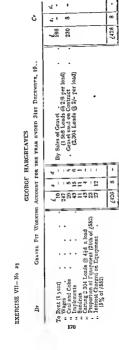
84 606 14 10

3 600 14 10

Dec. 21 To Balance cid

## EXERCISE VII-No 22 (conff)

Dr	TRIAL BALANCE	Cr
Export Trade Export Agents Consignment (Austraha) Interest Bills Receivable Office Expenses etc Cash at Bank	450 1 750 2 2 350 2 446 14 10	706 14 10 3 850 6 000 3 500
	OFIT AND LOSS ACCOUNT YEAR ENDED SIST DECEMBER 1	19 Cr
To Expenses etc Interest Account Consm/t (Australia) Capital Account	2 350 450 1 050 1 190 5 040	3 850 s d 1 190 s
BALANC	E SHECT AS AT 31ST DECEMB	ER 19
LIABILITIES Bills Payable Sundry Creditors Capital	3 5.0 6 6 000 1 896 14 10 Euls Receivable Export Agents Export Trade (Stock unsold) Cash at Bank	1 750 s d 1500 s 700 s 700 s 1 396 14 10



### EXERCISE VII No 24

## RHODES JOURNAL

19	John James To Sales Value of invoice £367½ less 7½° o {£27/11/3}	f 339	18	đ	£ 339	18	đ
	John James To Discount 4°, of £169}19)4 for 3 mos To Commission 1°, of £169/19/4	3	8			14 14	-
	Bills Receivable To John James Bill drawn at 3 mos	173	7	4	173	7	4
	John James To B ils Receival le Withdrawal of ong nai bill	173	7	4	173	7.	4
	John James To D scount 6% of £123/17/4 for 3 mos To Commission 30/ % of £1°3/17/4	3	14		1	17 17	-
	B lls Receivable To John James For bill drawn @ 3 mos	197	1	4	127	1	4
		£820	16		£820	16	Ē

## RHODES CASH BOOK (Debit Side)

19 To John James					
John James 50 -	19	To John James John James	169 50	19	d 5 -

	LEDGER
Dr	JOHN JAMES

19		I c I l	19		1	1.	ſ
	To S1 es D scount Commission B lls Rece vable D scount	339 18 1 14 1 14 173 7 1 17		By Cash Bis Rece vable Cash Bis Rece vable	169 173 50 127	19	

## EXERCISE VII - No 25

ACCOUNT SALLS of 125 Tons of Steel Bars ex SS Tantallan Castle, sold by Masses Murray & Co Sydoey for account and risk of Midland Steel Co England

19.	25 tons Steel Bars @ £10 per ton 30 " @ £9/10/- " . 30 " @ £9/5/- " . 40 ", " @ £9 "	ŧ	< d	250 285 360 1 172 10 -
	Charges Landing Charges Carting Charges Carting Charges Warnang Insurance Commission 1e 5% of £1,172/10/	15 10 6 1 5 58	12 6	95 12 6 (1,076 17 6

30 days' sight draft for £1,076/17/6 herewith.

MURRAY & Co.,

July 1, 19.. Murray & Co,
Sydney

EXERCISE VII-No 26

## LEWIS & CO S JOURNAL

	LEWIS & CO S JOURN	IAL					
19	Armstrong & Sons To Sales Account For value of goods plus freight mean ance et etc. sent to Messrs Arm strong & Sons of Iquaque and agree ung to particulars of invoice	1 124	s	d	£ 1 124		đ
	Bills Receivable To Armstrong & Sons Bill drawn on Armstrong & Sons for value of thyoice	1 124		1	1 124		-
	Bank Account To Bankers Advance Account For advance from bankers on security of documents relating to sales and bills drawn on Arastrong & Sons	650	-		650		-
	Bank Account 10 Armstrong & Sons For receipt from Armstrong & Sons of half value of hill	562			562		-
	Armstrong & Sons To Bills Receivable For withdrawal of original bill	1 124	-		1 124		-
	Bills Receivable To Armstrong & Sons For new bill for half value of original bill plus interest at 6% for 6 months on amount	578	17	2	578	17	3
	Armstrong & Sons To Interest For charge of interest for 6 months at 6% on amount of bill	16	17	2	16	17	2
	Bankers Advance Account To Bank For repayment of loan	650		-	650		~
	Ban's Account To Bills Receivable For Messrs Armstrong & Sons accept ance duly honoured	578	17	2	578	17	2
		£6 408	11	6	£6 403	11	G

## EXERCISE VII-No. 26 (contd)

## ARMSTRONG & SONS' JOURNAL

	ARMSTROAG & SOAS J	DUILLA	~~				
19 .	Purchases Account To Lewis & Co For purchases from Lewis & Co, in- cluding freight, insurance, etc., etc., as per un occ	1,10	4	5 6	1,12	4	s d
	Lewis & Co To Bills Payable For our acceptance of Lewis & Co's draft on us for value of goods as per invoice	1,12	4	-	t,12	4	-
	Lewis & Co To Bank For remittance to them of half value of bill	56	2	1	56:	2	-
	Bills Payable To Lewis & Co For withdrawal of original bill	1,12	4	1	1,124	1	-
	Lewis & Co To Bills Payable For new bill for balf value of with- drawn bill plus interest at 6% for 6 months on amount of bill	57	3 17	2	578	17	2
	Interest Account To Lewis & Co For their charge of interest on amount of bill at 6% for 6 months	14	17	2	16	17	2
	Bills Payable To Bank For payinent of bill at maturity	578	17	2	578	17	2
		£5 108	11	6	€5,108	11	6

## EXERCISE VII-No 27

ACCOUNT SALES of 65 CASES OF PURE LARD ex SS Rameses sold by Messrs Stephens & Sons of London on account and risk of Messrs Williams & Co of New York

A1	65 casks i	Fine Lard-			l	£	s	ã	£	5	d
	Gross v	verght	18		5			j			
1	Tare			28	2			l li		Ì.	
		weight 42s 6d per ci	vt I5	6	2		1		332	11	
	Freight	Charges				15 4	150	8			ĺ
	Marine Ir	isurance—/350 ing Stamp 1/-	@ 25/ 9	•		4	8	6		l	ĺ
	Customs	Dues g We ghing e			- 1	5	13	6			
	Expenses	of Sale			H	2	01	8		1	
	Fire Insu Brokerag	e (710 of /332	2/11 3)		- 1	13 24	18				
	Commissi	on (3% of £33	2/11/3}		1	- 9	19	6	77	14	2
							П	-	€254	17	1
E & O	E	Messrs Ste	phens & S	Son:	s			1			Mag

## R RIGHTON'S LEDGER

D	r Const	GNVENT INWATE	s Account	Cr
19	To L. Affeck (600 ba re s F our (3 19 3) Cash Comm ss on (78° of £802/12/1) L. 488eck	£ 5 5 d 19 43 19 4 20 1 4 161 1 5	By Sundry Debtors (2°s barrels Flour © 27(3) Sandry Debtors (273 barrels Flour © 26 2)  Total Sales	442 16 3 359 15 10
				1 7802 12 1

## EXERCISE VII-No. 28 (contd )

EXERCISE VII-NO. 2	s (conta )	
Dr.	L AFFLECK	Cr
To Cash	738 11 5 By Consignmen	t Igwards
D*	CASH BOOK	Cr
	By Consignment Freight Insurance Storage " L. 4ffick	inwards 27 10 - 7 15 6 8 13 10 738 11 5
EXERCISE VII-No as	·	
Dr	W WILLIAMS' LEDGER CONSIGNMENT ACCOUNT	Cr
Mar 1 July 4 July 4 July 4 July 4 July 4 July 6 July 6 July 6 July 7 July 7 July 7 July 7 July 8 Jul	2 500 7 6 May 1 By S Seigfried 120 7 5 10 5 12 5 12 5 12 5 12 5 12 5 12 5 12	2312 19 6
Dr.	S SEIGPRIED	C+
19 Nay 1 To Consignment	2,312 19 8 May 1 By Bills Receivab	3 3 12 19 6
Dr I	BILLS RECEIVABLE ACCOUNT	Cr
19 Jay 1 To S Seaginad .	6 19 19 19 19 19 Cash Loss on Exchar (3 312 19 6	ge 3,255 19 11 56 19 7 £3 312 19 6

Dr	CASH BOOK	Cr
19 July 4 To Bills Receivable .	3 150 19 t) Har 1 By Consignment— (Carriage Freight	(,&c.) 120

### EXERCISE VII-No 29 (contd)

		W WILLIAMS JOURN	AL					_	
19 Mar	1	Consignment Account To Goods on Consignment For consignment of 1 955 tons of won @ 565 6d per ton to S Seigfned of Hamburg	2 Š80	5 7	d 6	:	£ 2 980	5	ľ
May	1	S Seigfried To Consignment To Consignment For value of sales less expenses as per Account Sales 1 e Gross proceeds Lxpenses 1 425 marks Commission 1 735 50 3 160 50 NEX proceeds 66 259 50 66 259 50 marks @ 1/- = 3 312/19/6	3 312	19	6	1	3 312	19	6
-	1	Bills Receivable To S Seigfried For acceptance at 2 months for amount as above	3 312	19	6		312	19	6
July	4	Loss on Exchange To Bills Receivable For loss or rate of exchange at due date 1 e 66 259 00 marks @ 20 35 whereas bill was made out @ 20 00	56	19	7		56	19	7
٠	4	Consignment Account To Loss on Exchange For transfer of loss	56	19	7		56	19	7
			£9 720	5	8	£9	720	5	8

EXERCISE VII-No 39,

Ď	D,	ROBS	Ö	Į,	VAY.	JOIN	VEN	ROBSON & DAY'S JOINT VENTURE ACCOUNT				ć
Date	Particulare	Ama	Amount	=	Days	Pro	Date	Particulara	Amount	=	Day	Pro
20 00 00 00 00 00 00 00 00 00 00 00 00 0	To Legendre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)  1 Correspondre (1979)	1500 1500 1500 110 110	-1 50m1 51 4 5		25.25.25.25.25.25.25.25.25.25.25.25.25.2	164 109 3,870 302 302 1,872 1,872 1,872 2,430 323,253	10 Sept. 3 30 30	10 Josephiles (2010) pr ton 255 tons (2010) pr ton 255 tons (prive of gall no given) in Balance of J coducia	27.0 27.0 27.0 27.0 27.0	****	10C	66,749 49,140 1875 207,498
		62,655	П	Г					62,655	Ľ	-	
Sept.	Sept 70 To R Robien's Share of Profit on " D Day 1 Share of Profit on Venture	2.5	* *	* *			S. pt 30	Sept 30 By Balance b/d	3			
		0.63	a	10					6143	9	Τ.	_

178

mount 2 ĺz Amount .5 748 6483 By 2 Cranes (prace of each not given) Bala ve ( Products due from D Day Locomotive 520 tons leads @ £3/10/~ pr ton Balance of Products Part culars Pert culars JOHNT VENTURE IN R ROBSON'S BOOKS JOINT VENTURE IN D DAYS BOOKS Sept 33 Tane 28 Sept 3 Date Date 3 870 1 950 1 72 2 420 392 193 148 148 720 174 532 Pro Pro 150 721 Days Days \$3.85° 98 88 88 Armount Amount 9 z ž 12 4828° 6873 748 2 530 (4 841 × 10) EXERCISE VII-No 30 (contd.) 520 tons Rails @ £3/5 a ton 13 lance of Int (172 657 × Share of Profit on Ventu e Share of Profit on Venture Balance due to R Robson Particulars P rticulars Locomet ve Carrage Landing Charges Crines @ £55 Balar ce of Int Storage tep 115 Orage D ĥ 8 M 75 33 Date Dite 顗 3 B Sept

172 657

Iro

Days

Ċ

£150 721

£2 530

66 740 49 140 34 841

Pro

Days 22

ΰ

For the definition of an Account Current, see Advanced Accounts (p. 247)

D	IN A	ccol	MARSHA TARENT			b	Cr
Dite.	Particulars	an	Amounts.	Date	Particulars	With	Amounts
19 Jan 1 Apr 1 June 30	To Goods— pure Mar 1 Cash , Goods , Interest , Blaiance cki	3	Int £ 5.  £ 5 d  \$ 200  7 1  2 291  1 291	19 Feb 1 Mar 1 May 1 June 30	By Cash Goods— our May 1 Goods— our May 1 Goods— our May 1  Laterest  Dy Balance old Dov—list July	5 2 2	1 int   fs.

### EXERCISE VIII-No 2

## TRUMPER & CO. MELBOURNE

	Or IN A	CCOLNI	CER	RE T	with	ROBERTSON (	& Co	Cr_
Date	Particulars	Amount	Dys	Pro ducts	Date	Particulars	Amount	Dys. ducts
19 Dec 31 19 Jan 7 Apr 15	To Balance , Goods , Freight etc Bal of lat	\$ 5 4 \$00 - 150 11,10 6 (961 10 6	``	95 q 33 900 2 230	19 Apr 10 30	By Bank Draft Balance of Products Balance of	6 2 d 500	20 12,000 84,130
Apr.30 E 4	Fo Balance b/d O E	361 10 G			Loss	ow-30th April	Roser	504 & Cu.

Ċ

OUNT CURRENT WITH ALFRED BROWN

Days 222

Amount

Date Feb Apr May

Particulars, By Cash Goods

Date

Products

24 200 12 200 £38 400

Adva	VCC	Days	121	
See page 247 of Advan	CHARLES DAWSON IN ACC	Amount	ng 1 - 1 m ng 1 - 1 m	7
See page	DAW	Ara	750 170 170	1 07
	ARLES	Date	Feb 1 Apr 3 June 1	
EXERCISE VIII-No 3		Particulars	To Goods Cash Goods Balance of Interest (740 × 12)	73 000
EXER	Dr	D S	Jan 17 Arr 1 May 10 June 1	

P PARKER IN ACCOUNT CURRENT WITH I TONGS

23

EXERCISE VIII No 4 June 1 To Balance b/d

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(35 49) 4 650 4 650 7 4 650 Pro

> 53 (521

Balance of Products Balance c/d

Die   Neutral   Die   Arbeit   Die   Arbeit   Die   Arbeit   Die   Arbeit   Die   Lade cale   Die   Lade cale   Die	유용	30 55 C. 24 24 24 25 25 25 25 25 25 25 25 25 25 25 25 25	123	L
Disc	Days	1823		
Disc		40rma 1	9	-
Disc	90 11	25082 8	1	
Day   Area   Day   Area   Day   Area   Day   Area   Day   Area   Day   Area   Day   Area   Day   Area   Day   Area   Day   D	4	789g	1 3	
Disp	ue ate			
Disc	ำลั	Descrip		
Disc	Lurt cu ars	ž.		
Cit and Disc A recent Drys  Disc A recent Drys  Out of Products  New JD 18 18 18 18 18 18 18 18 18 18 18 18 18	Date	Aur 14 Nov 9 Dec 3		
Can are Date A research and Can are as a can are a can are as a can ar	Pro	31 258 10 000 7 352 4 278 3 596	C21 153	
C. D. 27 A POWNER  D. D. D. D. D. D. D. D. D. D. D. D. D. D	Days	235EE		
E a sea Date  Date			0	
E a sea Date  Date	nount		^!	3
1 C a ara Dade  Dady  Daty  Da	۲		tool	77
Bat of Freducts 9 × 10 3 ± 100 5 ± 1 c	9 9	25588		
	03			
Date 19 3 3 Nov 30 Dec 31 Dec 31	Part co are	To Goods Diff Cash Coods Int or Bal of Products (4809 × 10)	/ 000 FZ )	To Dalu on h d
	Date	Cet 150 Cot 150 Dec 23 250		Dec 31

\*8258

RCIS	RCISE VIII-No. 5	110	10001	-	2	CCOL	INT CL	RREN	WOOD IN ACCOUNT CHREENT WITH C EVANS	s				Ċ	
à		-		:	ľ	ľ		-			1		F	7	P.
9	Particulars	Date	Amerant	to a	=	Days	dects	Date	Particulars	Drtc.			-		ducts.
**************************************	To Goods	July S Oct 11 Nov 30	258228	*****	122240	2 2 2 2 2 2	29 177 8 991 7 939 3 968 4 216	19 Aug 12 Sept 7 Nov 13 Dec 11	By Cash Goods , Bal of Int (ttal figs)	Aug 12 Sept 7 Nov 13 Jan 11	354 852 852 853	*3055	40200	#58=	9 417 40 940 4 464 1,776
ñ2	Dalance of Products	F1 45		9	-	-	073		" Int of (1,073 × 10) Thi (73,000) Balance c/d		6	N 2	= =		
			737	0	=		£50 345			_	1923	آءا	=	_	655 345
. 3	To Dulance h/d		3	2	=							-		_	1
CERC	CERCISE VIII-No 6			1											
Ď		M	WES.	=	×	CCOT	INT CU	RREN	W WEST IN ACCOUNT CURRENT WITH E EASTON	N					ò
Date	Partieulurs	Due	V V	Amount	П	Days	Pro	Date	Particulars	Date	٧	Атовы		Days	Pro ducts
2 58 7 7 di	To Cash	As 1st column	256 256 240 178	"T250 "	48500 4	2225	12 616 28 400 27 242 17 640 19 521	Jan 10 Job 15 Mar 21 Apr 18 June 39	j:	Ae 1st column	25.005	******	#205ma	E352	20 420 33 750 39 401 20 148
			0687	6	[-]	_	618 9013		73 000		6020	0	-		6104 819
					_	_		June 30	June 30 By Balance b/d		178		7		

7	
VIII-No	
XERCISE	

- 1	Iro	2,485 228 2780 5,780 5,483	1	١.	£ a Ξ
ڻ	_		ڻ	Interer	*set E
- 1	Days	r. u.S		_	- 1 <u>e</u>
,		48±1	1	Days	138
	Amount	*4.58 B 0			8 20 L N 4
	ΨV	355 75 75 75 75 75 75 75 75 75 75 75 75 7		Amount	" 2 + % E
z		222	-	1	1019 1019 1019 1019 1019 1019 1019 1019
SS	Date	Apr 1	≼ ا	-	
NDE	-	offs Ay	TI	Date	As 1st
NORTHCOTE IN ACCOUNT CURRENT WITH S ANDERSON	Part culars	he B By Cash we per AC Solice  B Proceeds of AC Solice  Balance of Troducts  Apr 28 By Balance by	O JORDAN IN ACCOUNT CURRENT WITH T TFTLOW	Part culars	19 19 19 A/S of Centum A June 20 Dy Balance h/d
CURRE	Date		URRE	Date	19 19 19 19 19 19 19 19 19 19 19 19 19 1
NT C	Pro ducts	2 2 5 5 1 1 2 2 1 1 5 2 1 1 5 2 1 1 5 2 1 1 5 2 1 1 5 2 1 1 5 2 1 1 5 1 5	Ĭ	-	~25° 00
DO.		171	- T	Interest	** cue = 20 1 to E co
VC	Days	991	_  OV	_	₩ <u>0</u> -7 82 7
F IN		# E9E 6 -	- 3	Days	25 2 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
0.0	Amount	" PTo N 0 2	- ÎV		400 000 00 00
TI	Ľ	250 127 127 127 127 127 127 127 127 127 127	ĕ	Amount	*5 # 5 # H T
NOR	Date	As 1st column	0	¥.	250 200 200 200 200 200 200 200 200 200
4			_		-2128220-
^		tal fig.	1 00	Due	Jan May Apr Aus Aus
EXERCISE VIII-No 7	I art c ılars	To Draft (at 8 ft); Charges age AvCales AvCaver and Comm so on. In as souver (at ft, 1) But at a (A 46 ft x 1) The (A 73 000) The could	EXERCISE VIIINo	Pri ars	To rappace Control Control Acretic Control Acretic rit Intervit
EXERC	Drite	A Apr 13	EXERCI	Date	18 18 18 18 18 18 18 18 18 18 18 18 18 1

6-	Days ducts	ដូនខុន		Š	Days Pro-	20 88 529 OI		87.862
	Amount		11/18/17		Amount	f s. d 965 13 10		£1 982 18
-	Date	As 1st column		Sali	Dale	As 18t column		_
M GOODMAN IN ACCOUNT CURRENT WITH A	Particulars	By Cush  " " "  " Ralance of Products  " Halance c/d		C CTDAR IN ACCOUNT CURRENT WITH J. HUGHES	Putticulars	By Net Proceeds A/S of Cotton , Net Proces is A/S of Cotton , fat as confinal by Dr.	·	
CKENT	Date	May 9 June 13 30 3 30 30 30 30 30 30 30 30 30 30 30		RREN	Date	Feb 28 May 31	# •	Ŧ
NT CD	Pro-	46,310 27 659 9 500 2 540	(83 468	UNT CI	Pro	3-4-	4 528	000 000
CCOC	Days	2888		ODV	Days	E E E	64 v 2	Ţ
MAN IN	Amount	258 18 18 18 18 18 18 18 18 18 18 18 18 18	140 14	1 440	Amount	287 287 580 580 4 123 123 103 103 103 103 103 103 103 103 103 10	223 223 16 13	
G00D	Due	Mar 12 Mry 21 June 10	101	,	on on	7.0 28 1.0 28 28 28 28 28 28 28 28 28 28 28 28 28	Apr H May 11	_
N.	Particulars	*	(26 316 × 10) 75 Dalines bid	EXERCISE VIII-No 10	Darkenlan	\$		
ć	Date	A New 30 St. 10	Of east	EXERCI	à	18 26 18 1. 28 28 1. 28 28 28 28 28 28 28 28 28 28 28 28 28	May a	

#### FLOWERS & CO S LEDCFR

Dr NDE I STEVARTS DRAVINGS ACCOUNT

Date	Part culars	An	ount		Days	Pro ducts
19 jan 15 Feb 20 Mar 18 Apr 20 Vav 13 June 15 July 20 Aug 17 Sept 21 Oct 14 Nov 18 Dec 21	To Cash Interest $\left(\frac{70.6a5 \times 10}{73.000}\right)$	45 35 45 35 25 26 15 42 34 32 28 35 36 39	5	ď	350 314 288 255 237 199 164 136 101 78 43 10	12 250 14 130 10 080 6 375 6 032 2 985 6 888 4 6°4 3 232 2 184 1 505 380
		(399	13	7	1	£70 66a

EX	ERC	EXERCISE VIII-No 12	,	Š	100	2	Q	UNI	CURRE	ACICE IN ACCOUNT CURRENT WITH K KAY		1	=	5	1
	Dr.			3	4	1	I	I		Decimalari	Due	Amount	Δ	Days	ducts
۵	Date	Particulars	Date Date	*	Amount	_	Days	ducts	Date		Date	819	E	-	430
6 0	-	To Balance	Jan Feb 13	252	-5.2	a u o	80	11 340 2 961	Feb 15	By Cach B/E I xpenses	Mar 18 Mar 18	582.	1166	328	845 845 845 845
4	25	2			φ	-			6.2	"Communican" "Balance of Products "Balance c/d		. · · · · · · · · · · · · · · · · · · ·	0 0		9 610
				686	2	1-1		£14,301				21	1	4	1
1 14	18	EXERCISE VIII-No 13					2	200	T CIR	RENT WITH O	LDHAN	OLDHAM, BOMBAY	۶.	٥	ô
	ч	D, N NEWTO	N. WA	Z C	S	ş١	٤,				Due	H Amount	Г	Days	Pro
	200	Particulars	Date	_	Amount		Days	duets	Date	Particulars	Date	=	7		-
1 == 6	1 27 1 27		Mar 15	1 6:7	- =	* "	7	119 732	e e i	ņ.	No.	2000	=71	1223	16,500
~	25.19.24	. Net	June 15		608		3	100,596	_	29 " Cash 31 Cash 31 Cash	May 312	-87-	01129	18533	10 250
							_	_	May 13 June 30		_	_	2 5	3 23	35 55.7
				-			_		:	30 Dalance cyd	-	188 13	Ξ	of Pro	6383
				8	(2,223	-	1.	£220 328	18			£2 223	F		220 125
-	Jone	June 30 To Balance byd			1881	52	E	L	-		-				1
		(A) Balance of Pennopal = £2,223 hrss £2 026 = £197 T (B) Balance of Interest = £8/4/11 arrived at as follows	rest = [	2,223 te	15 (2 0	9 4		Fo veduce 63 Ri	10 figure 1 × 10 1,000	To reduce to figure in Products column, Multiply (197 by 181, wh ch = 55 bs/ (52 831 × 10)  12 (73,000 )	ely £197 b	r 181, wb ch	8		

156

Š

### AVERAGE DUE DATES

#### ZERO DATES

				_	JULE 5	Ser	TEMBER 18	Au	CUST OF
Date	Item	Ame	ount	Days	Products	Days	Products	Days	Products
19 1 1 e 5 July 12	Goods	726 979	s d 16 2 17 8	37	€ 3F 260	105 68	76 335 66 640	82 45	50 614 44 100
Aug 26 Sept 18	:	1 127 359 £3 193	3 11 8 6	82 105	92 414 37 695	23	25 923 £158 896	23	103 714 6 257 £95 457

June 5th + 82 days gives 27th July Sept 18th 53 days gives 27th July Aug 28th 30 days gives 27th July

## EXERCISE VIII-No 15

Date	«Item	Amount	Days	Pro ducts
19 June 5 8 Sept 11	Goods	\$ d 355 9 10 466 16 8 229 14 7	Zero 33 98	Date 15 411 22 540
(1 052 d June	ivided into 37 951 gives 36 dys 5+36 days gives July 11)	£1 052 1 1		£37 951

Date

19

Oct

(38,922 Sept

~ 978 gives 40 days

12 + 40 days gives Oct 22)

EXERCISE VIII - No 16

[tem

#### AVERAGE DUF DATES

Amount

Pro-

ducts.

Days

19 5 662

6 400 68

£38 922

Feb 15 Mar 15 Apr 15	Goods .	: : :	375 268 349 186	16 14 3	9 6 4 7	Zero 28 59 59	Date 7,572 20 650 10,974
(1,180 d Feb	vided into 39 15 15 + 33 days	6 gives 33 dys	£1,179	17	2		£39,156
res	Sept 20)	- Union Bives					
EXERCI	SE VIII-No 17	,					
Date	Item.	Due Date	Arr	nount	•	Days	Pro- ducts
19	Goode	Sont 12	Asa	3	4	7010	Date

19 393

127

£978 3

FOREST & CO S LEDGER

E ELLIS S DRAWINGS ACCOUNT

E ELLIS & DRAWINGS ACCOUNT	METHODS OF COMPUTATION	ACCOUNT CURRENT ON SEPARATE ITERS	Amount Days fro Ose for Dys n.c.s Da e Part culars Amount Days ducts	1   1   1   1   1   1   1   1   1   1	2004 7 Note—Th. Average Dute gives 48 32.5 — 297 = 163 days ( 1 st ) ( 2004 7 ) ( 2004 7 )
E Eu		Consent	Pro ducts		Note -Th Ave
		Ассопи	Amount	-	
(Dr stds)		Prydeulers		To Cath  " " " " " " " " " " " " " " " " " "	
(D)		ş		######################################	

å	Pro. ducts	5942 17,523 9804 (34.8%)		è	· , -	
	Days	***	}		Dava	
	-		4		1.	- con 100 m
	}	~zez   2	1		Arrount	- 62012 - 2
	1 unomy	"420 a	7		_	2 588 2 258 2 258 700 700 61 61 61
	×	25.58.28.25.25.25.25.25.25.25.25.25.25.25.25.25.		z		( 2001) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4
Eccort	Item	Goods		JONES IN ACCOUNT CURRENT WITH BROWN	Partleulars	by Sundey Deboors  Fig. 60 of East (1990)  Fig. 60 of East (1990)  Coolwill of East (1990)  Balance et la cress  (449.9a. × 10)  By Briance byl.
P PINE IN ACCOUNT WITH F EL	Date	No. 25 28		RRENT	Date	Dec 31
	Pro	2024 13 024 13 024 13 Joh		DUNT CU	Days Products	051 681 055 683 055 683 175 683 175 683
IN AC	Days	582	1	νç	rea .	23.3° 103.3° 103.3°
	-		1	JES IN		4 2, 2 4 2
		***2== 2	ļ		Amount	, 2 2 - 2
[	Ambunt	*5 *5 *	1	Į,	۲	656 656 656 656 656 656 656 656 656 656
	ž.	-385 65 cts)				ries (1912)
	Item	Coods Palance (due from	EXERCISE VIII-No 20		Particulars	o Cash Suday Credition Sugar (1 2777/26) Cash Bilance of Products Farince 40
đ	Date	20027 20027 20027	EXERCI	ā	Date	19 18 19 19 19 19 19 19 19 19 19 19 19 19 19

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#### SYKES & SONS JOURNAL

			_				
19 Feb 21	Consignment Account To Goods on Consignment For goods valued \$80 sent to Bailey & Co their Belfast agent	£50	5	đ	£ 850	s	d
21	Consignment Account To Bankers D scount For transfer of loss on discounting bill	14	3	4	14	3	4
Mar 31	Consignment Account To Bailey & Co For his notification to us of his having pa d freight and landing charges on account of consignment	28	13	9		13	9
Aug 31	Bailey & Co To Consignment Account For gross proceeds as per Account Sales	1 056		-	1 056		
31	Consignment Account To Bailey & Co Commission on £1 056 @ 3 %	31	13	7	31	13	7
		€1 980	10	8	£1 980	10	8

### BILLS RECEIVABLE BOOK

No of B II	Date	From whom Rece ved	Teno	Due Date	Fot	Amoust	Rema ks.
1	Feb 21	Pa ley & Co.	4 mos	19 Jane 24		830 s d	D spounted same date Ret red June 24

## EXERCISE VIII-No 21 (contd)

#### SYKES & SON'S LEDGER Dr. CONSIGNMENT ACCOUNT $C_r$ 19 1006 Feb 21 To Goods on C/ment Aug 31 By Barley & Co , 21 . Cath(lose on Descount (Gross proceeds as per ing Bill) Buley & Co (Exps) Buley & Co (Com 14 Mar 31 28 13 Aug 31 missioni Balance (profit) to Profit and Loss ., 31 131 £1 036 £1 058 -

Dr	BAILEY & Co	Cr
19 June 24 Aug 31 To Cash , Consignmen	1 1,998 - 4 89 2 88 9 8 18 Received 1 1,998 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	28 13 6 29 13 6 30 (3) 7 345 12 8

D	7	CASH	BOOK		C,	٠	
		Bank			Ва	nk.	
19 Feb 21 May 31	To Bills Receivable Bailey & Co	€ ± ₫. 8:0 -	19 Feb 21 - June 24	By Banker & Discount , Bailey & Co (bill retired)	650	23	-

ACCOUNT SALES of 25 CHESTS OF INDIGO sold by Henry Crichton & Son on account and risk of Thos Ruffles

25 Chests of Indigo			£	5	d	1	€ 246	s 10	đ 8
Charges Dock Dues and Insurance Cartage Storage Commission (3°, of £1 246/10 Del credere Commission (2½°,	• of 41 :	246/10/8)	8 2 3 37 31	10 15 4 7 3	11 6 7 11 3	€1	83	2 8	2
E & O E Bill at three months for £11 HENRY CRICH	163/8/ TON 6	6 enclose & Son	d he	rewi	th				

### EXERCISE VIII-No 22 (a)

#### THOS RUFFLES BOOKS (LEDGER)

C,  $D_{r}$ CONSIGNMENT ACCOUNT 1 275 ods on C ment May 18 By Hy Ce chron (25 chests Tea 1 246 10 @ (21 per cht ) Cash (Fre ght) Hy Cr chton & (Gross Prones 12 12 as per A/S)
Ba ance (Loss) to
Profit and Loss May 18 te: & Son 14 11 124 (Expenses) Hy Cr chton (Commuss ons) m 18 68 11 (1 370 | 14 | £1 370 14 8

D	r	CI	RIC	нто	N & S	0.7		Cr	
19 May 18	To Cons gument	1 246		<i>i</i> 8	19 18 74 18 18	By Consignment Bills Receivab e	£ 14 68 1 163	1t 11 8	4. 2 6
		£1 246	10	8			£1 246	10	8

#### EXERCISE VIII-No 32 (a) (contd)

#### THOS RUFFLES' JOURNAL

19 Feb 21	Consignment Account. To Goods on Consignment For 25 chests indigo forwarded to H Crichton & Son	1,275	2	d	€ 1,275	s	d
Мау 18	Crichton & Son . To Consignment Account For gross proceeds as per A/S	1.246	10	8	1,246	10	8
18	Consignment Account To Crichton & Son For expenses as enumerated in A/S, 1e Dock Dues and Insurance (8/16/f) Cartage £2/15/6 Storage £3/4/7	14	11		14	11	
,, 18	Consignment Account. To Crichton & Son For Commission as under— 3% of gross proceeds as per A/S 437/11 21% of gross proceeds as per A/S (being det scalare Commission) 431/3/3	68	11	2	68	11	2
18	Bills Receivable To Crichton & Son Acceptance at 3 mos for NET proceeds as per Account Sales Bill dated Ap 20	1 163	8	6	1 163	8	6
		£3 768	1	4	£3,768	1	=

## EXERCISE VIII-No. 22 (b)

### CRICHTON & SONS BOOKS (LEDGER)

DF	THOS ROPPLES	
Apr 20 To Cash Commission Bulls Payable	f   1   1   1   1   1   1   1   1   1	1 246 10 8 () 246 10 8

#### EXERCISE VIII-No 22 (b) (contd)

#### CRICHTON & SON'S JOURNAL

19 Apr 20	Sundry Debtors To Thos Ruffles For sale to sundry debtors of goods rectived on consignment from Thos Ruffles	1 248	10	8	£ 1 246	10	-
., 20	Thos Ruffles To Cash For expenses enumerated below— Dock Dues and Insurance #8/10/11 Cartage #2/15/6 Storage #3/4/7	14	11	1	14	11	-
., 20	Thos Ruffles To Commission Account For 3% of gross proceeds of sales to debtors 1s 3% of £1 246/10/8 = £37/7/11 and 23% (det credere) commission being 2½% of £1 246/10/8 = £31/30.	68	11	2	68	13	2
20	Thos Ruffles To Bills Payable For bill at 3 mos for NET proceeds of account sales	1 163	8	6	1 163	8	6
		£2 493	1	4	£2 493	ī	4

19

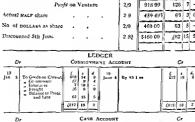
June 3

To Bills Receivable

# EXERCISE VIII-No 23

	JOURNAL UNT	RIFS					_
19 Jan 5	Consignment Account To Goods on Consignment Commission Insurance Freight		£50	s d 2 9		10	8 4 -9
. 6	Bills Recenable To 1h Hee	_	750	2 9	750	2	9
June 4	Ah Hee To Consignment		812	18 2	812	18	2
	For value of goods sent \$5.455 = (750 20 plus share of profit = (62)15 5	\$160	(2,313	3 8	£2 313	3	9
_	STATIMENT OF COA	VERS	1045			_	_
Gross Pi	Charges ie \$326 17 + \$171 82	Ra 2/5 2/5	6 87	\$ 2 52 7 99	68	9	2
7400	NET Proceeds	25		4 53	876		9

					_ [			L	Ľ
S1 \T	ı MI.	NΤ	oı	COAA	rrsto	٧٩			_
Gross Proceeds Less Charges 1 e \$326	17 +	\$17	71 82	:	Rate 2/9 2/9	\$ 6 872 52 497 99	£ 944 68	19	d 2 5
Ner Less Cost of Goods (mc	Proce ludm;	eds g Lx	(pen-	ses)	2 9 2/9	6 374 53 5 455 54	878 750	9	
Profi	on \	Vent	nte		2/9	918 99	126	7	Œ
Actual HALF share					29	459 495	63	3	6
No of nollars as share					2/9	469 00	63	5	-
Discounted 5th June	٠			•	2 82	\$460.00	£62	15	5
		_	LCD	GER				۳	-
Dr	Cor	481G	NME	ACC	OUNT		C	•	_
19 Jan S To Goods on C/mont	£ 608	í	4 8	19 June 4	By Ab I		£ 2	s	4



19

Jan 10 By Insurance 10 Freight

7 10 28 8

2

#### I SOLOMON'S IOURNAL

19 Feb	I	Consignment Account To Goods on Consignment For consignment to Davis & Co Bom bay 320 cases brandy @ 23/6 per case FO B	£ 376	s	đ	£ 376	s	đ
**	15	Davis & Co To Consignment For gross proceeds as per account sales	456	6	8	456	6	8
м	15	Consignment To Davis & Co For expenses and commission as per account sales	18	10		18	10	-
			€850	16	8	£850	16	8

Account Sales of 320 cases Wine and Spirit sold by Messrs Davis & Co of Bombay for the account and risk of Messrs Isaac Solomon London

19	320 cases Brandy @ 184 rupees a case					R	5 920	-
	Charges Delivery Rent Postage	R	32 8		-			
	Commission—R & per case	-	200	F	-	_	240	_
	Act Proceeds	ľ		1		R	5 680	
Łā	O E BOMBAY 15th February							
Dates	have been assumed Davis & Co	1		1.	П			1

Di	·				NS LEI			Cr
9 Геб і 1 2 15	To Goodson C ment Crish Davis & Co Balance to 1 rost and Loss	376 13 18 48 £456	10 10 4	d 6 2 8	19 Feb 15	By Davis & Co	£ 456	s d 8

 $D_{r}$ 

 $D_r$ 

Bill of Lading

Insurance

19 an 1 To Goods on C/ment

Jan 1 To Goods o

EXERCISE VIII-No 24 (contd)

DAVIS & CO.

 $C_T$ 

 $C_{\tau}$ 

#### Feb 15 By Consteament To Consignment 15 Cash 437 £458 €456 Cr D۲ CASH BOOK £, 19 Feb 15 437 12 To Davis & Co By Consequences (For disburse (bught Draft of \$437/16/8 for Rs ments for-Insurance (4/17/ Freight (8/15/ ) at 1/6} per rup ) EXERCISE VIII-No 25 JOHNSON GIBBS & CO's IOURNAL 19 1 106 16 Jan 1 Consignment Account To Goods on Consignment 116 7 " Freight . Bill of Lading . 2 11 6 .. Insurance €106 £106 16 For particulars of invoice of goods sent to Messrs Larrissa & Co Bombay

MESSRS JOHNSON GIBBS & CO's LEDGER

CONSIGNMENT ACCOUNT

16

11

#### CONSIGNEE S JOURNAL

### MESSRS LARRISSA & Co

19 Feb 15	Sundry Debtors To Mess's Johnson Gibbs & Co	Rs 1 708	A P	Rs	4 11	P 8
	Messrs Johnson Gibbs & Co To Import Duty Rent Insurance and Commission For expenses and commission etc. as set forth in Account Sales	187	15 3	17 170		4 11
	Rs	1 896	10 11	1 896	10	11

#### CONSIGNEES LEDGER

D	Dr Messrs Jon		HYSO	ov Gra	Cr					
19 Feb 15	To Duty Insurance " Cash		Rs 17 1 0 1 5 0	A. 1 13 12	P 4 11 5	19 Feb 15	By Sundry Debtors	R. 1 708	A. 11	P 8
		Rs.	1703	11	8		Rs.	1 708	11	8

### Note -Above calculations are in Indian currency

#### CONSIGNOUS LEDGER

D	,				AT VCC			C+	
19	To Goods on C/ment	106	16	d 7	19	B. Larrissa & Co Balance to Profit and Loss	101 5	7 8	# 8 11
		£106	16	7			£106	16	7

Dr		MESSES	LARRISSA & CO	_	C,
19 Feb to	To Cons , ment	101 5	# 19 Feb to By Cash	101	* 4 7 S

	D		UX & LUC Consigni	IFER'S I			Cr	
19 Feb	1	To Goods on Coment	450	19 Apr 4	By M. Marcont (Amount recyd	£ 72	1.	4.
Apr	4	@ 18/- each) " Cath " M Marcom	1 1	-	from Undwts   M Marcont (For his sale of 250 Lamps) Stock of 125	240	-	-
	- 1		1 1 1		Lamps @ 18/-	112	10	
			}	1	Expenses c/d file 48kof £9/13 6)	2	9	,
					Balance to Profit and Loss	53	2	,
	į		£479 IS	6		£479	13	в
_	D	,	M	Marconi			Cr	
19 Apr	•	To Consignment	72 240 4312 -	19 - Apr 4	By Consegnment , Cath	£312	18	4
_	D	),	CAS	и Воок	<u>'</u>		c,	_
19 4pr		To M \ aroom	£ 290 18	19 Feb 1	By Contignment— Freight (5/18/6 latur (2/14/	4	13	4
EX	ER	cise viii—No	2>					
	D	1.	TOTAL	VENTU	DE		Cr	

D	r	J	OIN	T	CNTU	RE		Cr_	_
19 ,	To Shares A/c (4) "C   share of D   (Profit)	1 510 22 45 72 578	15 10 5	4.	19	By Shares A/c (8) (1) C, 30 sh. @ 30/- D, 60 . @ 30/-	6 967 473 45 90 (1 578	15 10 -	4

<sup>(4)</sup> Purchase of 1900 Shares of 30 + Famouses (10 (B) Sale of 600 Shares @ 32/6, last Famouses (7/6/-, (C) Sale of 310 Shares @ 31/- loss Expenses (2.

BANK ACCOUNT

1 | 1 | 19 |

### EXERCISE VIII-No 28 (contd )

Dr

19	Sh res A/e	# 3 d d 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	By	Ď .	1 510 5 481 1 962 3	8 4
D	b	С			Cr	_
13	To Jo at A/c Bank	£ 5 d - 1 8 £ 520 L 8	В)	Cash Joent A/c	£ 503 6 22 10 € 526 1	8 8
I	)r	D			Cr	
19	To Joint 4 c Bank	(1 05° 3 4	19 By	Jo at A/c	1 006 13 43 10 1 052 3	4-
EXE	RCISE VIII—No	29				
_	Dr	JOINT A	COUNT	·	Cr	
19	To Cu b  Los on Sha es Balance to Cap tal Accounts (For transfer of Proût) Black & share White &	f s d 478 22 - 900 - 293 - 293 -	19 B	y Synd cate White (For his taking over balance of Stock)	2 000 30	d -
	1	(2 036	-		£2 036	
_						<u> </u>
	Dr	CAPITAL ACCO	UNT—BL	ACK	Cr	
19	To Synd cave tare Cash	93	19 E	Share of Profit of Joint A/c	293	d.
		(643			£643	₽
_	<u> </u>	. 1 4				

#### EXERCISE VIII-No 20 (contd.)

LALLING	isk viii—na 29 (comia)	
Dr	CAPITAL ACCOUNT-WHITE	Cr.
19	To Junt Account	£ 5 d. 293 £443
D	SYNDICATE ACCOUNT	Cr
19	To Joset Account 2,000 - 4 = 19 By Cath Shares	1,000 1,000 £2,000 -
Dr	SHARES ACCOUNT	G,
19	To Syndraste  (Fort 0.00 thares of £1 tally pass)    5	£ 30
Dr	CASH BOOK	Cr
19 .	To Blacks Cap A/c 250 4 19 By Joant A/c [4] White's 50 - 100 Blacks a Cap A/c 100 - 100 Blacks Cap A/c 100 - 100 Blacks Cap A/c	478 222 593 407

<sup>(</sup>A) Cost of Purchases and Experiments (B) Patent Fees paid by White

Note—The question seems to suggest that White contributed a further 122 but as sufficient cash was available at the time the sum has been regarded as having been paid by WHITE out of such funds

#### TOURNAL ENTRIES

19 an 4	Joint Account To A Lemoine	254	s 12	<i>d</i> 6	£	s 12	
10	J Carey To Joint Account	138	10	6	138	10	6
14	Joint Account To J Carey	4	8	4	4	8	4
16	Joint Account To A Lemoine	31	4		31	4	-
30	A Lemoine To Joint Account	428 4	15	9	428 4	15	4 9
		£43?	17	1	£432	17	1

Dr	CASH BOOK	Cr
Jan 16 To Jo nt Account A Lemo ne	1 237 4 6 19 19 By Jont 1 9 16 A Lemo Jont Ac	983 16

D:	,				GER Account	t		Cr	
19 Jan 4 7 9 14 ,, 16	To A Lemo ne Cash J Carey A Lemo ne Balance c/d	254 4 50 4 31 31	3 12 6 8 4 4	6 2	19 Jan 10 16	By Carey J Cash	138 *37	\$ 10 4	d G
Jan 30	To Cash Balance to Profit and Loss	£375 8 27 £3	15 3 2 5	6 3	Jan 30	By Ba ance b/d A Lemo ne	£375 31 4 £35	4 1	9

#### EXERCISE VIII-No 20 (contd.)

D		J- (	A	Lt	MOUNE			Cr_
19 Jan 16	To Cath	£ 283	s 16	ď	19 Jan 4 # 16	By Joint Account  (Share of Profit on venture)	£ 254 31	12 d
		£285	16	6			£285	16 6
Jan 30	To Joint Account		<u>ا</u>	9	Jan 30	By Cash . , ,		1

A ole—It has been assumed that A Lemone has refunded #4 is 9d, which was an amount included in balance sent him on 16th—being in excess of correct amount

#### EXERCISE IX-No 1

THE SECTIONAL SYSTEM OF BALANCING IS a system wherein accounts are classified and grouped under particular categories for facility in control of posting

Personal Accounts are classified into those of Debtors and Creditors and a separate ledger is kept for each. The purpose served by this method is to prove each ledger independently, which purpose is effected by an adjustment account.

The advantages of Sectional Balancing are-

(a) Errors are localistd to each separate ledger and reduce the necessary scope of investigation to one or other of the numerous ledgers, for all ledgers are self-balancing

(b) I commy of time and effort are effected. The circual staff can be conveniently allocated to writing up the various ledgers etc. as against the loss of time caused by members of the staff waiting to do work in the LEDGER while some other member is entering up "or 'posting".

The alterations in X Y Z & Co's books necessary to make them completely sectional "balancing are—

(a) To reduce the Private and Nominal" Ledger to two ledgers, i.e.
(1) Private and (2) Nominal

(b) The Journal and Bank Cash Books to have appropriate ana ysis columns for all ledgers kept (See also Advanced Accounts Chapter 1X.)

#### EXERCISE IX-No 2

This question is explained fully in Chapter 1X of Advanced Accounts

Cr

#### EXERCISE IX-No 3

The uses of the Jot RNAL are adequately dealt with in Chapter I of Advanced Accounts

The entries to be found in the JOURNAL of a business in which ledgers are balanced independently will be found elaborated in Chapter IX of Advanced Accounts.

#### EXERCISE IX-No 4

Dr

#### I GARSIDE'S SALES (DEBTORS) LEDGER

GENERAL LEDGER ADJUSTMENT ACCOUNT

19 Jan 31 31 , 31 , 31	To Returns Inwards Cash Discts Allowed Bills Reconvable Balance odd	942 15 621 968 3 471 13 740	 d -	19 Jan 1 31 31	Sales B ils Receivable (diskonoured)	12 542 21 658 542 34 742	-	-
			$\Box$	Jan 31	By Balance b/d	13 740		

#### EXERCISE IX-No 5

### SALES JOURNAL

	No of	Particulars	Fol	١.	- 				-	Fown	Lt	pate			
Date	No of Invotor	Particulars	F 03	1	ol-l		M	nrk	1	N.	or si teri	ls .	F	elts	_
				£	:	d	£	\$	ď	•	,	d	£		1

Date	No of		Fol				[		Co	UNTR	γL	EDG!	,		
Date	Invalce	Particulars	Foi	١.	otal		Ma	ntle	۹.	Ma	rest	ès	F	elts	_
				Ĺ	•	4	·	,	ď	٤		đ	£		L

Date   Particular   Paul Descript   Date		BANK	C CASH	BANK CASH BOOK				ធ	LEDGERS		
	310	Particulses	Fo		Details	Bank	Bought (1)	-	Sales (1)	(Saler 2)	General.
Teninsies Pol Daceust Con Dan Tought () Bunget ()			-					7 7	e e	, s	, a
Periodics (1) December Cod (Dark Dough (1) Dough (1)										(CREDIT SIDE)	(auts
7 7 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	2	Particulars	104		Carl	Dank	Bought (1)		Sales (1)	Sales (2)	General.
				,	* 3		70 H		*	* '4	-

EXERCISE IX-No 6.

207

TRIAL BALANCE

### EXERCISE IX-No 7

SALES BOOK

19 Mar 6 J Cro 10 T F n 11 L Lat 14 R Ro 18 J Cro	ck k b n	\$ d 175 6 8 199 13 4 50 135 11 8 28 0		J Crow T Finch R Rob B  General Ledger Adjus ment A c Cr	128 180 100 £409	3 3	4
		CASH	вооь				
Date Part	culars Fol De	ct Amoun	Dat	Pagt culars	Fol	Amo	ount
n 16 K	Crow f 10 1 F nch 3 1 Robin Jay Crow	7 6 147 35 11 8 255 10 77	19 Mar 6	By J Crow (Carr age) Balance o(d		723	
hlar 31 To Ba	6 14 1 1 b/d	£7 5 1 8 723 8 4		1		€725	1 8
Dr		SALES I		R		Cr	_
6 Ca	th (Carnage)	6 120 12 6 175 6 175 6 6 1 13 4 10	19 Mar 2 27 27 31	By Cash Discount Cash Balance c/d	10 10 77 128	12 10	d 6
Mar 31 To B	1	426 2 6 128 10		j.	£476	2	6
Dr		THOMAS	FINCH			Cr	_
Mar t To B:	les	£ 5 4 150 17 6 180 13 4	19 Mar 7 7 31	By Cash D scount Balance c/d	£ 147 3 180 £331	17 13	d 6 4
Mar 31 To B	Lance b/d	183 13 4					
Dr		Јонч	JAY			Cr	_
Mar 1 To B	W_	270 4 6	19 M r 21 21	By Cash Bad Debts	£255 14 £270	10 14 4	6

#### EXERCISE IX-No 7 (contd ).

Dr			L. LARR						Cr		
19 Mar 11	To Sales		f <sub>50</sub>	·	4	19 Mar 31	By Boucht Ledger Adjustment (Ams transid)	£ 50	-	-	

$D_{\mathbf{r}}$	R Robis	Cr_			
Mar 14 To Sales	f 135 11 8 Use 17 By Cash Balance c/8	£ 35 11 8 100 1 8			

Note -L. Lark's stem has been regarded as one requiring transfer to the Bought Ledger hence difference from the figure in Advanced Accounts list of Answers

Either answer is correct

D	F GENE	RAL LI	C+							
19 Mar 31 31 31	To Cash Discounts Bad Debts	725 14 14	5 10 10	8 6	147	ι	By Balance (Total of Sales Ledger Bala.	£41	14	46
" 31	"Bought Ledger Adjustmens A c "Balance c/d	50 409	3	1	7 3	١	b f) Sales (Total of Sales Sook)	570	2	8
					- 3	1	Cash (Amount base on account of carriage)	1	13	•
		£1 213	9	3	l	1		£1 213	8	8
		1		1 1	Mar 3	٩Į	By Balance bid	409	3	+

### EXERCISE IX-No 8

#### MESSRS JAMES OGDEN & CO'S SALES LEDGER

_	Dr GENE		AL LEDGER ADJUSTMENT ACCOUNT					Cr.		
	31 31 31 31 31 31	To Returnalowards, Cash Distis allowed Bills Receivable Bad Debts Balance cfd	691 43 344 1 504 4 210 942 38 702 87,395	12 8 9 1 10 6	4 6 3 2 9	19 June 30 Dec 31 , 31		.58 421 10	6 8	
			1 1		ll	Dec. 31	By Balance b'd	38 702 6	9	

#### EXERCISE IX-No 8 (contd)

# MESSRS JAMES OGDEN & CO s GFNERAL LEDGER

$D_1$	r Sali	s Led	GER	AD.	USTME	NT ACCOUNT		Cr	
19 June 30 Dec. 31 31	To Debtors Hals Sales B is Receivable (D shonoured) Sundry Charges	28 394 58 421 550 29	12 10 -	d 6 3	19 Dec 31 31 31 31 31 31	By Returns Inwards Cash D sets allowed B is Rece able Bad Debts Bala ce c/d	£ 691 41 344 1 504 4 210 942 38 702	12 8 9 1 10 6	d 6 3 2 9
Dec 31	_	87 395 38 702	6	9		£	87 395	7	

	DISE IX-No 9 PURCHASES E	зоок		BOUGHT LE	NCE	r dh	
Jan 3 10 17 21 24 30	S Smith P Brown J Jones T Thompson H Hew tt L Lo sjoy	f 13 76 13 134 16 55 2 66 4 173 12 157 6	2 8 11 9 3 10	S Smith B B own J Jones T Thompson H liew it L Lovejoy	£76 134 80 68 226 157 £741	13 16 8 4 10 6	10
RET 19 Jan 11 98	URNS OUTWA	53 14	d g 11	General Led <sub>n</sub> er Ad justment A/c	£ £741	19	10
	),	CA	SH BOOK	:		Cr	
			Date	Pa t culars	D set	Bar	sk

Dr	CASH		Cr			
		Date	Pa t cutars	D set	Bank	
		19 Jan 5 19 19 23 29 51	By L. Lovejoy H. Hewatt T. Tab appon J. Jones B. Brown S. Smith	f s d 9 4 9 2 14 2 3 18 3 10 6 11 26 4 1	f s d 175 10 10 50 51 9 7 40 6 5 195 10 9 f 87 17 -	

EXERCISE IX-No o (contd)

### BILLS PAYABLE BOOK

No of Bill	Dale	To Whota Given	Tenor	Due Dat	Fot	D	isconi	nt	A	nounl	
1 2	19 Jan 4 ,, 26	Brown, A Hewill, H				£ 3 3	16 5	6 9	62 62	1 12 9	9
	Dr.	GENERAL LE	DGER	ADJUS	THEN		CCC	OUN	-	Cr	
19	T		1.1	119	T				1		,

D	r GENERAL	LED	GE	R A	DJUST	MENT ACCOUN	IT.	Cr	_
]ap 1 u 31	To Ledger Balances Purchases (as per Pur chases Book)	887 663	12 16	8 7	19 Jan 31 , 31 ,, 31 ,, 31 ,, 31	By Returns " Cash " Discts received " Bils Payable " Balance c/d	31 587 33 117 741	1 17 8 1 19	f 7 7 4 9 10
Tan 31	To Butance b/d	£1 531	9	- 20			£1,531	9	1

_		. 11				_ !!	ᆫ	١.,
	A	ALLCO	TTS	BOUGH	T LEDGER			
D	·		S	Suith			Cr	
19 Jan 31 31	To Cash "Discount "Balance o/d	198 10 76	19 6 6 11	16 Jan 1 ,, 3	By Balance , Purchases	206 76	17 13	4 440
		£28.3	10 10	TH.	l .	£283	tn	10

19 Jan 31 31	To Cash " Discount " Balance o/d	196 10 76	19 6 13	4 9 11 2	Jan 1 ,, 3	By Balance Purchases	206 76	17 13	4 8 2
		£283	10	10			(283	10	10
				$\overline{}$	Jan 31	By Balance b/d	76	13	2
			_					~	_

		£283	10	10	Jan 31	By Balance b/d	£283	13	10
Dr B Brown						Cr			
fg Jan 4 , 4 , 25 , 25 , 31	To Bills Payable Discount Cash Discount Balance of	74 3 74 3 114	\$ 12 18 6 16	6 5 3 5	Jan 1 , 10	By Balance , Purchares	f 156 134	15 16	# 2 8
		€281	11	10			£291	11	10
					Jan 31	By Balance b/d	134	16	8

. 4 Discount 25 Cash 25 Discount 31 Balance c/d	3 18 6 74 6 5 3 144 16 5 4 10 Jan 31	By Balance b/d	£291 11 19
Dr	) Jones		Cr
Jan 11 Jan 11 To Returns O/ward " 23 " Cash " 31 Balance s/d	£ 5 d 19 13 14 8 Jan 1 40 8 2 , 17	By Balance Purchases	F 2 2 4 11 11 11 11 11 11 11 11 11 11 11 11 1

				Jan 31	By Balance b/d	134 16 8		
D	·		] ]	ONES	Cr			
Jan 11 # 23 # 31	To Returns O/ward ,, Cash , Balance s/d	£ 13 40 80	5 4 8 2 8 2	Jan 1 , 17	By Balance , Purchases	. 55 2 d 11		
		£134	2 10	Jan 31	By Balance t/d	80 8 2		

£ s d 19 51 9 7 Jan 1

## EXERCISE IX-No 9 contd)

Dr

Jan 19 To Cash

19 31	D s ount Balance e/d	2 I 66	4 9	21	Pur hases	66	1	9
l		£120	8 6		ļ	£120	8	6
			1	Jan 31	By Balance b/d	66	4	9
Di	,		нн	EWITT			Cr	
19 Jan 12 26 26 31	To Cash Bils Payable D scount Balance old	50 62 3	9 9 5 9 0 3	19 Jan I 24	By Balance Purchases	169 173	13 12	d 6 3
		£342	5 9	Jan 31	By Balance b/d	£342	5 10	9
D	r		LL	OVEJOY			C+	
19 Jan 5 28 31	To Cash D scount Returns O wards Balance c/d	175	10 10 4 9 6 11 6 10	19 Jan 1 30	By Balance Purchases	202 157	\$ 6	# 6 10
		£359	9 4			£339	9	4
	ŀ			Jan 31	By Balance b/d	107	6	10
19 Var 4	PURCHASES	BOOK	9 3	1	BOUGHT LED TRIAL BALA	NCE C	reduts	d 9
11 18 27 29 30	M Mattlew J John M Ma k P Paul S S las	65 1 73 1 127 48 1 165 1	14 8 2 6 11 5 6 18 10 15 4 OOK		M Matthew J John M Vark P Paul S Silas	73 127 48 235	8 10 6 15 9	d 9 8 2 11 6 7
19 Mar 13	1	1		lι		[ £ ]	zuda z	4
27	P Paul M Watthew		5 8		General Ledger Ad pustment A/o	1 153	19	7

#### EXERCISE IX-No to (contd.)

Dr	CASH	CASH BOOK				
		Date	Particulars	Disci	Bank	
		19 Mar 6 13 20 24 26 31	By S Silas P Paul M Mark J John M Matthew L Luke	6 - 5 10 6 10 9 5 11 25 13 2	£ 5 6 80 - 114 716 196 10 176 13 100 50	

# BILLS PAYABLE BOOK

No of Ba∏	Date To Whom Civen		Tenor	Due Date	Fof	Discount			Amount			
1 2	19 Mar 12 25	L Lule S Sitas	. ;				€ 8 10 18	6	10 10 6	152 195 349	16 9 3	1

		ZUCKERS B		Cr		
19 Mar 12 12 31	To B (is Payable , Discount Cash Balance c/d	£ 152 16 10 50 8 8	Jan 1 Mar 4	By Bulance " Purchases	£ 265 247	16 9
		113 5 7	Mar 31	By Balance b/d	302	8 9

Dr M MATTHEW					Cr.				
19 Mar 26 27 31	To Cash Returns O/wards , Balance c/d	100 36 366	1 15 8	2 8	19 [an 1 Mar 11	By Balance Purchases	437 65	5 9 14	d 2 8
		£503	3	10			€503	3	10
				_	Her 31	By Ba'ance b/d	366	8	8

# EXERCISE IX-No 10 (contd)

D <sub>f</sub>			Ј Јони		Cr
19 Mar 24 24 31	To Cash D scount Balance c/d	176 13 5 73 10	19 Jan Var	1 By Balance	£ \$ d 185 18 11 73 10 2
		£239 9	1 Vier	31 By Balance b d	73 10 2
D	<u>.</u>	1	M Mark	:	Cr
19 Mar 20 20 31	To Cash D scount Balance c/d	f s 196 10 10 6 127 6	4 19 Jan 10 Mar 11	1 By Balance	20c 18 10 127 6 11
		€334 3	9 Var	31 By Ba ance b d	£334 3 9 127 8 11
D	,		P PAUL		Cr
Na 13 13 13 13 31	To Retu ns O wards Cash D scount Baisnee c/d	£ 5 27 10 114 7 6 48 15	d 19 6 Jan 10 Mar 5	1 By Bal noe	f s d 147 9 15 6
		£196 14	3		f198 14 3
	L		Mar	31 By Balance b d	48 12 8
D	,		S SILAS		C≠
19 Na 6 25 25	To Cach B is Payab e D scou i Balance e/d	£ s 89 195 9 10 6 235 9	d 19 Jan 1 Ma 10 7		\$ 6 8 16 10
		£822 5	6 Var	31 By B lance b d	fo 7 5 6 250 9 7
	GENE	RAL LEDGE	R Adjus	SIMENT ACCOUNT	T Cr
19 Jan 1 Mar 31	To Led er Balances "Purehases	1 690 6 7°8 15		31 By Returns O's 31 Dacts rece 31 Dist Payabl 31 Balance c/d	717 10 10 rd 44 10 10
Mar 31	To Balance b d	(7 3°9 2 1 153 19	7		1239 2

214

#### EXERCISE IX-No. 11.

SALES	BOOK

# SALES LEDGER TRIAL BALANCE

19 Joly 3 B Beard	for the following state of the following stat	B Beard,
RETURNS INWA	RDS BOOK	Credita
July 4 H 23 C Graves	23 19 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	General Ledgor Ad- pustucent A/c 725 1 6
Dr	CASH BOOK	C <sub>r</sub>
Date Parties lars	Difet. Bauk.	
19 July 5 To G Graves	£ 3 d £ 4 d	

	,	CASH DOOK	u,
Date	Parties lars	Diset. Bauk.	
19 July 5 12 19 23 23 23	To G Graves F Foxwell E Eley D Dogsett C Cowan B Beard	\$ 2 d \$ 4 6 d 6 d 6 d 6 d 6 d 6 d 6 d 6 d 6 d 6	

#### BILLS RECEIVABLE BOOK

		BILLS	S RECI	EIVABLE	BC	юк					_
No of Ball	Date	From Whom Received	Tenor	Due Date	Fol	а	19000	nt	40	ppunt	
1 2	19 July 6 ,, 26	F Foxwell B Beard .				£8	15 6	d 9 10 7	£154	19 9	3 10

# EXERCISE (X—No 11 (contd ) Dr General Ledger Adjustment Account

July 31   To Balance   126   70   6   10   13   10   1	31 31	D is Rece vable Balance c/d	154 72 1 4140 19	3 6 3	July 31	By Balance b/d		19 3
July 31   To Balance bid	Dr					S LEDGER	c	,
Dr   C COWAN   Cr	Tuly 1	To Balance Sales	126 7 6° 10	4	July 26 26 31	D scount Cash	82	9 10 6 10 1 4
19	July 31	To Isalance b/d	The second	1			Uss 1	-
July 31   To Balance b.d	D:	,		c c	OWAN		C	r
Dr   D   DOGGETT   Cr   19   10   11	19 10 y 1 10	To Balance Sales	74 2	11	July 23 25 23 31	Cash D scounts	137	2 8 17 6 10 11
10	July 31	To Balance b d	1				£211 t	3 10
July 1   To Balance   To Bala	D	r	1	) Di	GGETT		C.	, —
Dr   Dr   E   ELEY   Cr	19 July 1 17	To Balance Sales		4 6	July 23	D scount		9 3
19	July 31	To Balance b/d					£251	1 10
31 , Balance c/d 120 13	D	),		E	ELEY		c	,
7218 7 4   me 7	Inte 1		£ 27 13 13 13	1 10	July 19 19	D scount	4 ! 1	7 8
July 31 To Balance b d 120 13 6	July 31	To Balance b d	£218 7				£218	7 4

19

July 1 To Balance . Sales .

July 31 To Balance h'd

July

D

To Balance .

Dr

By Bills Receivable

By Returns Inwards

Cr

15

6.

118 £264 13 10

## KEY TO ADVANCED ACCOUNTS

£264 13 1

118

5 15

F FOXWELL

G GRAVES

fuly

ĕ Discount

12 Cash Balance c/d 31

EXERCISE IX-No II (contd)

#### , Cash , Discount 30 99 19 31 154 ... Balance c/d 99 19 £786 £286 July 31 | To Balance b d EXERCISE IX-No 12 SALES LEDGER SALES BOOK TRIAL BALANCE Debres 19 Oct 11 ABCOPT Andrews Binnie Andrews 195 Bunnie Carter Oriona O Oriord Per 1 Peel Curper Tucas (1 090 (1 167 5 2 17 RETURNS INWARDS BOOK Cardila P Peel General Ledger Ad 17 , 23 B Bigaie 16 justment Account [1 167 €32 BILLS RECEIVABLE BOOK Trum Whom Tenor Due Date For No of Date Discount Amount Nece sed Oci Andrews **.** Turnex 10 29 2 · | (134 | 3

### EXERCISE IX-No 12 (contd)

### CASH BOOK (DEBIT SIDE)

Date	Particular	s	Γol	Dis	coun	t	T	Bank	
19 Oct 6 13 20 24 27 31	To T Turner P Peel O Orford C Carter B Binsue A Andrews	:		£ 5 10 8 8 8	11 7 8 2	d 1 8 10 3	70 105 197 160 154 50	5 10 5 7 2	1 6 10 6

#### G. GARDENER'S SALES LEDGER

D			Α		DREWS			Cr	
Oct 1 4	To Balance Sa es	174 185	10 12	4 6 11	0et 7 7 31 31	By Falls Rece vable D scount Cash Balancs old	82 4 50 223	# 8 6 8	d 5 9 3
Oct 31	To Balance b/d	£360 223	3	5			£360	3	5

D	,		1	вв	INNIB			Cr	
0 t 1	To Balance Sales	178 196	15 10	4 5 10	19 Oct 23 27 27 31	By Returns Inwards Ca h D soount Balance c/d	16 154 8 196	10 2 2 2 10	4 8 6 3 10
Oct 31	To Balance b/d	€375 196	6	3			£375	6	3

D7			C	C	RTER			Cr
19 Oct 1 18	o Balanor Sales	£ 168 1≻6	16 11	# 8 5	19 Oct 24 24 31	By Cash D scount Balance c/d	160 8 156	s d. 7 10 8 10 11 5
Oct 51 T	o Balance b/d	136	3	5			Tanz	8 1

XERCISE IX	_NO 12	(com-	0	0	RFORD		Cr	_
Oct 1 To Bala 22 , Sales	nce	207 163	13 12	2 7	19 Oct 20 20 20 31	By Cash Discount Balance c/d	f s 197 S 10 7 163 12	6 8 7
Oct 31 To Bull	ince b'd	163	12	7	1	\		

Oct 31	To Danish v v								
Di	,			P F	EEL			Cr	_
19 Oct 1	To Balance , Sales	f 126 199	15 19	ة ال 9	19 Oct 8 , 13 , 13	By Returns Inwards Cash Discount Balance c/d	199	14 10 11 19	3 1 9
Oct 31	To Balance b/d	£308	15	9			£326	1.3	Ť

Dr	,	T Turner	Cr
19 Oet 1 ,, 31	To Balance	\$\begin{array}{cccccccccccccccccccccccccccccccccccc	70 17 10 71 17 10 3 15 8 227 13 -
0.1.71	To Belonce hid	£373 8 6	

,, 31	Sales To Balance b/d	£373 8 6	, 29 31	Balante c/d	227 13 - €373 8 6
		eral Lenger	Anaustai	ENT ACCOUNT	Cr
L	y GE	ERAL LEDGER	ADJUSTIN		11 . 1 . 14
		1 1 1 1	19	D. Andrew Balan	1 042 2 6

Oct 31	To Balance bid	220	13	_H	1			_
	Gent	RAT. L	EDGE	r At	NTSUEG	ENT ACCOUNT	Cr	
19 Oct 31 " 31	To Returns Inwards Cash Discts Allowed Bulls Receivable	737 40 154	1 5 6 12 6	3 1 3 3	19 Oct 1 ,, 31	By Ledger Balances	1 042 2 1,090 5	6 2
" 31 " 31	"Balance c/d	£2.13		8	Oct 31	By Balance bid	£2 132 7	10

### EXERCISE IX- No 13

PURCHAS	ES BOOK		SAI	FS BOO	K	
Jan 1 31 Horsham Piggott Manten Coles Day Bullen	274 *98 237 196 189 285	s d	Jan 1-31 Moore Rober Harri Square Farro Lonsi	ts ion w	£ 276 365 198 457 584 343 £2 223	d -
BOUGHT TRIAL E	LEDGER BALANCE		SALE TRIAL	S LEDG L BALAI	ER CE	
Horsham P.gots Manton Coles Day Bulge General Le justment	t A/c 1 47	274 298 "37 196 189 285	19 Moore Robes Harr: Squre Farro Lonsd Gener	ts on . s	ļ	€ 2 223 £2 223
Dr (Recen	PTS)	САъН	воок	(Pary	LENTS)	Cr
Name of Account Con	s Bank Led	Gen Led	Name of Account	D's count Bar	k Bght Led	Gen Led
To Balance ploore ploorets Harrison Squ tes Farrow Housdale	28 3-36 55 10 196 22 29 466 55 18 3-31 33 28 3-45 55 21 407 42	16 15 15 13 18	By Hortaam Pagott Manton Coles Day Bullen Sundry Exps Graham s Drawnings Winder s Drawnings Salaries Wages Balance c/d	17 3 13 12 13 14 12 13 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	25 236 333 250 259 272 299 314 201 235 350 263 35 35 35 75 75 75	263 35 75 125 2 966
Jan 31 To Bal b/d.	134 (4 236 £ 6	45 £1 725		€83 £4:	236 (1 720	£2 599

GENERAL LUDGER

## EXERCISE IX-No 13 (contd)

OPENING EN	TRIES	TRIAL BAL	ANCE
Jan i Stock Deblors Flant and Machine To Creshwar Winder	1,720 3 973 3 973 3 973 (49 870) (3,670	Salaries Wages Phint and Machinery Sales Ledger Adjust A/C	2,085 134 2,750 1,479 263 73 125 2,750 2,223 35 35 35 2,223 35 35
TRADING ACC	OUNT	Capital Accounts — Gradam Winder	3,97
(Dr. stde) To Stock 1st Jac Purchases Purchases Balance (root) By Sales (Cr stde) By Sales Stock, 31st Jan	2 730 - 4 1 479 125 1 1 019 25,373		£11,735 £11,73
	PROFIT AND	LOSS ACCOUNT 31st JANUARY, 10 .	C+
To Discounts Allowed  Sundry Expenses (asclaim; 4128 due)  Surrer  That Debts Res Depresal on of Plant (12°, of 2; 50 for 1 suth (12°, of 2; 50 for	134 ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	By Trading Account Instrumets Received .	1019 -

### EXERCISE IX-No 13 (contd)

Messrs Griham & Winder

BALANCE SHEET AS AT 31ST JANUARY 19

LIABILITIES Sundry Creditors Reserve for Out standing Exps Capital Accounts— Graham Winder	1 479 125 4 129 4 129	5 - - 15 15	d 	Assers Cash Debtors Stock Plant & Machinery (Ner)	2 066 2 123 3 150 2 524	5 - - - 10	d
	£9 863	10	Ξ		£9 863	10	Ξ

D <sub>f</sub>	BOUGHT LEDGER HORSHAM	Cr
Jan — To Cash D scount B-lance c/d	L   19   19   10   10   10   10   10   10	£36 £510 -
	Jan 31 By Balance b/d	274

Dr			Piggott					Cr		
Jan	To Cash D scount Balance q/d	298	*_	d -	19 Jan 1	By Balance Purchases	\$50 298	-	d -	
		£648			J2n 31	By Balance b/d	£648	-	-	

Dr	MATTON	Cr
Jan — To Cash D scount Balance c/d	19 Jan 1 By Balance Purchases	£ z72 z d
	Jam 31 By Balance b/d	237

### KEY TO ADVANCED ACCOUNTS

EXER	THE IN-HOL I	3 (conta	3						
D	7			Co	LES			Cr.	
19 Jan " 31	To Cash Discount Balance c/d	£ 299 15 196 £>10		4	19 Jan 1 Jan 31	By Balance . Puschases  By Balance t/d	€510 196	-	-

Dr	DAY	Cr
Jun — To Cash D scount Bullettes of d	f 271 - Jan 1 By Balance , Purchases	25.5 189
1	Jan 31 By Balance b/d	169

Dr	Bu	LEN		Cr_
19 Jan — To Cath D count Balance c/d	250 13 285	Jan 1 By Bal	rebus s 281	1. 4.
	£548 -	Jan 31 By Bal	£548	-   -

						_			
. 1	Or GENE	RAL LE	bgi	er A	DJUSTM	ENT ACCOUNT		Cr	_
19 lan 1	To Balance , Purchases	1 720 1 479	£	d.	19 Jan 31 31 31	By Cash Discre Received Balance of	1 637 83 1 479	*	4.1
lan 31	To Balance b/d	1 479	=	-			£3 199		-

Dr	Cr	
Jan 1 To Bolance , Sales	278   5   4   19   By Cash   Dissount   Balance c/d	516 - 28 275 ~
run 31 To Balance b/d	276	(840 -

#### EXERCISE IX-No 13 (contd

EXERCISE IX-No	13 (contd)					
$D_{r}$	Roberts	Cr.				
Jan 1 To Bal nos Sales	f   5   d   19   Jan   By Code   D scount   Balance c/d	£ 196 - d 10 365				
Jan 31 To Balance bid	365					
D <sub>1</sub>	Cr					
Jun 1 To Balance Sales	f a d in Jan — By Cash Discount Balance c/d	£ 4 d 466 29 198				
Jan 31 To Balance b/d	198 -	£693				
Dr	Squires	Cr				
Jan 1 Linnos Salci	19   3   4   19   By Cosh Descent Balance c/d	f 4 d 4 4 4 4 4 4 4 57				
Jan 31 To Balance b d	457 -	£608				
Dr	FARROW	Cr				
Jan 1 To Bula ce Sales	573 584 - 1 19 19 Decount Balance 4/2	545 28 584				
Jan 31 To Bajance b/d	584 -					
Dr	LONSDALE	Cr				
Jan I To Balance Sales	f 28 - 4 Jan — By Cash D scount Biolesco qU	£ 1, d, - 407 21 545				
Jun 31 To Balance b d	313 -					

EXERCISE	IXNo 13	(contd)					
Dr	GENERA	L LEDGE	R AI	JUSTM	ENT ACCOUNT	Cr.	_
19 lan 31 " 31 " 31 To Car Dir , Ba	counts Lance c/d	2 511 - 134 - 2 223 - (4 863	( ) ( )	Jan 1 31	By Ledger Balances  Sakes (as per SalesBk)  By Balance b/d		1
			السا			U1_	1_
Dr.				LED		Cr	
19 Jan I To Ba	lance	2 750	4				
Dr		Purci	ASES	Acco	UNT	Cr.	
19 Jan 31 To Su	ndries	1,479 =	4				
Dr.		SAL	es A	CCOUN	r	Cr.	_
				]46 31	By Sundries	2 223	4
Dr		DISCOUNT	s Re	CEIVED	Account	Cr	_
				19 Jan 31	By Sundries	f. 4	4
Dr	D	iscounts	ALL	OWED	ACCOUNT	Cr	
19 Jan 31 To Sc	ndnes	f -	d_				
Dr		SUNDRY 1	Expe	NSES A	CCOUNT	Cr	
19 _ To C	ash	£ 263 -	4				
Dr		WA	GES .	Accoun	n .	Cr	
19 To C	ath	£ 5	4				

Dr	EXERCI	SE IX-No	13 (contd	)			
Dr   PLANT AND MACHINERY ACCOUNT   Cr   19	Dr		SA	ARIES	Accoun	7	Cr
Dr		To Cash	f. 75	- 0			
Jan   To Balance   2 509   -	Dr		PLANT AN	D MACI	INERY	ACCOUNT	Cr
Dr   CAPITAL ACCOUNT—GRAHAM   Cr		To Balance	2 200				
Dr   CAPITAL ACCOUNT—GRAMAN   Cr	Dr		PARTNE	S DRA	wings /	ACCOUNT	Cr
Dr   CAPITAL ACCOUNT—WINDER   S   1   4		To Cash (Graha (Mude	m) £ 35 r) 35	- d 			
Dr   CAPITAL ACCOUNT—WINDER   Cr	Dr		CAPITA	L Acco	un <b>t</b> G	RAHAM	Cr
Dr   BOUGHT LEDGRE ADJUSTMENT ACCOUNT   Cr						Ву Вът псе	3 973 r d
Dr   BOUGHT LEDGER ADJUSTMENT ACCOUNT   Cr   19   10   1   10   1   10   1   10   1   1	D,		Саруга	a Acco	V—TRU	INDER	Cr
10   10   10   10   10   10   10   10			,			Ву Вајароя	3 975 I d
163   To Cath Received   1637   -   3an 1   By Actger Balances   1720   -   1831     1831	D	, В	OUGHT LE	DGER A	DJUSTMI	INT ACCOUNT	Cr
Jan 3t By Balance b d   1473	Jin 31	Discis Rece	1 479		Ian 1	By Ledger Balances Purchases	1 1720 1 179 - d
19   To Lister Dalance   2 day   2 day   3 d			(3 199		Jan 3t	By Balance b d	And the Person of the Person o
Jan	D	r	Sales Lee	GER AI	JUSTNE	NT ACCOUNT	Cr
Ja: 31 To Balance b/d 2 223	Jan 1	To Ledger Bal	ances 2 645 2 723		Jan 31 31	_ Discis Allowed	2 511
	Ja : 31	To Balance b/	1	<u>-</u>   -			€4 868

Note—It has been thought an advantage to the teacher and student to leave the Ceneral Ledger at that point which makes it possible for the General Ledger Trial Bulance to be constructed.

#### EXERCISE IX-No 14

#### ODENING ENTRICE

19 . Jan 1	Cash Ball Ball Ball Ball A Arthur B Brown F Floser Cynnature and Fatteres Flant and Machmery To Bill Payable D Dunlop G Garnet F Frankin G Garlet F Frankin G Garlet Account	£ 50 870 1,000 375 275 361 250 873 200 1,700	s 16 14 12 5	4 2 2 11	420 174 127 86 217 4,929	13 16 15 6 16	2 10 9 10
	1	£5 956	8	7	£5 956	8	7

#### BOLGHT LEDGER TRIAL BALANCE

						_	_
D Dunlop . G Garnet E Ernest F Franklin	: :	É.	s	d	612 216 459 264	1 12 3 17	7 2 8 10
General Ledger	Adjustment A/c	1 552	15	3			
		£1 552	15	3	₹1 552	15	3

#### SALES LEDGER TRIAL BALANCE

19.	A Arthur B Brown F Flower C Cook	:	:	:		£ 514 228 209 316	5 16 14 12 15	d 1 4 8	£	s	đ
	General Le	dges 1	Adjust	ment A	c <sub>i</sub>				1 269	19	1
					ll-		-			-	
	l .				14	1 269	13	1	£1 269	18	1
	ł				r.		_			_	
	i e							-			

# EXERCISE IX - No t4 ( ontd )

### PURCHASES BOOK

19 Jan 7 14 21 24	D Dunlop E Frenst F Franklin G Garnet	612 459 275 216 (1 563	s d 1 7 3 8 10 6 12 2 7 11
_	SALES BO	OK.	

		-
359 246 209 316	8 10 12 15	d 7 2 4 8
	246 209 316	359 8 246 10 209 12 316 15

### PETT BAS OF THARDS BOOK

	IN TORRES OCTA MEDS BOOK			
19 Jan 24	F Franklin	£10	19	<i>ā</i> 8

#### RETURNS INWARDS BOOK

		2022-021-75	***************************************	 		_
19 Jan 15	B Brown			£ 17	16	d 2

### BILLS PAYABLE BOOK

No of B 1	Date	To Wlom G ven	T	Tenor	Due Date	Fol	I	) ş		Am	oun	t
S7	19 Jan 22	G Garnet	Dated Jan 21	2 mos	19 Var 24		£	7	10	£ 121	ş 9	a

o of B <sub>2</sub> I	Date	From Whom Rece ved		Tenor	Due Date	Fol	D set	Amount
\$9	19 Jan 15	F Flower	Dated Jan 13	° mos	19 Mar 16		£ 1 d	£ s a

XERCI	XERCISE IX-No. 14 (contd.)				٠	(CREDIT SIDE)	grs I	(E)							,						-
Date	Particulars 6	Z.	Å	Discount	-	3	9	==	-	Bank		27	Boucht Ledger			Sylva			General Ledgee,		
9 19 4 19	By Wager		7	-	-	4	-	7	100	-2:	700	7	-	B	3			- Z2F	-22	-2 to at	
25	D Dunlop Bill Pavable, No 68		80	ž	60		_	-	18 E	<b>9</b> :	φ I	174		01		_		270		- 1	
200	E Frnesk Wages Bulls Payable No 85		•	•	6		_	-	225	40	16	88	2					180	21	on 1	
88	A Active for debonoused bill		2	5	-		_	-	902	6	9	12	u u	2							
	Vales	_	_	_	_			-	F 5	9	00		_		50	_	-	8	•	2	
F # #	Salaries Parchases Rept Rates and Taxes	_			_	_		-	222	222	4.40							422	222	as er e	
	Putty Cath (redund to petty cathorist of appeares for month)			_			_	-	10	40	=							7.			
			673	20	0		$\dagger$		(2 767	2 2	1-	(478	2	0	\$193	1	100	121		-	
			1	ii		(agis tibad)	ars	i a		i	Ì	1	1	ll		!	}		ļļ .		
Date	Periodies	102	ğ	Discount		Å	Detarls	-	ě	Dunk	1	123	Bought Ledgir		_	Ledger Ledger	١.		Ceneral Ledges.		
g1 pe/	To Balince		4	-	-	4		1	7,5	-	70	-	Œ	4	4	-		-5	-	- i	
2525	A Active Polysocewalle No 86		22 9	-2	mo.				585	1 10	1 mm				361 275	<i>~</i>		2			
ឯនន	. Bills Recevable, No. 57		3	2	*				S S S S	M 1 1 12	V 1 1 to				6	in	=	386	112	1100	
			SIJ	2	0		$\Box$		25.707	6	F		Ш	Ш	018 13	2	5	5	13	1	
e	To Balance b/d				-			-								-	_		_		

# EXERCISE IX-No 14 (contd)

Dr	D DUNLOP	Cr	
Jan 13 To Cash 13 D scount 31 Balance 4/d	f 5 d 6 19 19 By Balance Purchases 1 7	f 174 13 612 1	d 2 7
	£786 14 9	£786 14	9
	Jan 31 By Bulance b d	612 1	7
Dr	G GARNET	Cr	

Jan 22 To Bulls Payable 22 D scount Balance c/d	121 6 216	s d - 9 - 7 10 12 ?	19 Jan 1 g4	By Balance Purchases	127 218	16 12	10 2
	£344	9	Jan 31	By Balapce b/d	£344 216	9	- 2
Dr		EE	RNEST			Cr	_

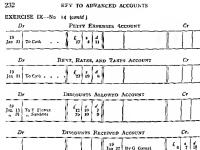
D	,		1	E	RNEST			Cr	
Jan 16 16 16 31	To Cash Discount Balance of	£ 82 4 459	9 6 3	a 9 8	19 Jan 1 j4	By Balance Purchases	£, 86 459	10 3	9 8
		£345	19	s			£345	19	8
		ــــــــــــــــــــــــــــــــــــ			Jan 31	By Balance b/d	459	3	8

D	,		F	F	ANKLIN			Cr	
19 Jan 23 23 24 31	To C2*h Discount Returns Balance c/d	206 10 50 264	9 17 12 17	8 1 8 19	Jan 1 21	By Balance Purchases	£ 217 275	8 8 10	100
		£49°	17	÷	Jan 31	By Balance b/d	£492 764	17	10

;	31	Balance	c/d	264 £492	-	19			£492	17	-
	1						Jan 31	By Bafance b/d	764	17	10
_	Di		Gener	AL L	EDGI	er A	DJUSTM	ENT ACCOUNT		Cr	_
]21) 121)	31	To Ledger I Purchase	Salances es	€ 806 1 563	12 7	4 7 11	19 Jan 31 - 31 31	By Cash and D set Returns O wards B Is Payable and Discount Balance c/d	478 10 127 1 552	15 12 16 15	10 3
jan	31	To Balance	b d	£2 170	_	3			C2 170	Ξ	6

EXERCISE IX-No 1	(cortd)	
_	SALES LEDGER	
Dr	A ARTHUR	Cr.
'an 1 To Balance , Sales , Bank (dishd bill, etc.)	275 16 4 Jan to By Cath 3369 8 7 15 15 Descount 135 7 6 31 Balance old	262 7 13 15 9 514 16 1
Jan. 31 To Balance b/4	[79) 12 5 514 16 1	£790 12 5
Dr.	B Brown	Cr
fan 1 To Balance , Sales ,	f   5   4   19   19   19   245   245   10   2   2   2   2   2   2   2   2   2	243 12 6 18 1 8 17 15 2 228 14 -
	(63 4) 4	(608) 4 4
Jan 21 To Balance b/d	228 14 -	
Dr	F FLOWER	Cr .
Jan i To Balance , 18 , Sales	250 12 2 Jan 15 By Carls 250 12 4 Jan 15 Dracount 15 31 Balance o/d	238 1 7 12 10 7 209 12 4
Jan 31 To Balance b/d	209 12 4	
Dr	C COOR	Cr
Jan 1 To B Lance , Sales	673 5 11 Jan 22 By Cash 1 Discount 22 Bullion c/d	£ 1 29 12 7 43 13 13 16 13 8
Jan 31 To Balance h, d	316 15 8	
Dr GENES	AL LEDGER ADJUSTMENT ACCOUNT	Cr
18 Jan 31 To Returns 31 Cash and Direct. 31 Bills Receivable Balance e/d	1	1 761 8 7 6 1 30 7 6 1,132 6 9 £3 049 2 10 1,269 18 1

	KEY TO ADVANCED ACCOUNTS	231
EXERCISE IX-No	14 (contd)	
	GENERAL LEDGER	-
	SALES ACCOUNT	Cr
	Jan 31 By Cash 31 Sunderes	f 5 27 13 5 1 132 6 9
Dr	PURCI ASES ACCOUNT	Cr
Jan 31 To Cash Sund ex	1 563 7 11	
Dr	BILLS RECEIVABLE ACCOUNT	Cr
Jan 1 To B lance 15 F Fower	f 375 1 d 19 Jan 16 By Bank 23 25 31 Balance c d	120 155 100 238 1 7
Jan 31 To Balance b/d	238 1 7	£813 1 7
Dr	BILLS PAYABLE ACCOUNT	C+
Jan 15 19 31 To Bank Balance e/d	270 f d Jan 19 By B 1 noc G Ga net 1 19 L541 9 Jan 31 By Balance b d	f 420 g d d f 541 9 121 9
Dr	STOCK ACCOUNT	Cr
Jan 1 To Balance	1 000 3 4	
Dr	SALAR ES ACCOUNT	Cr
Jan 31 To Cash	£ 2 10 8	
Dr	WAGES ACCOUNT	Cr
Jan 4 11 18 25	f. 27 13 d 6 31 14 8 4 16 9 30 6 10	





19 Jun 15 To B Prown

			<u>_</u>	1_
Dr	RETURNS OUTWARDS ACCOUNT		Cr	
	19 Jan 24 By F Franklin	£10	12	ď
D+	FURNITURE ACCOUNT		Cr.	
19 Jan 1 To Balance	£ 200 s d			
Dr	PLANT AND WACHINERY ACCOUNT		C+	
Jan 1 To Balance	1 700 - 4			L
$D_{\mathbf{f}}$	CAPITAL ACCOUNT		C*	

_	_[	Jan 24 By F Franklin	10	12	4
	D+	FURNITURE ACCOUNT		Cr.	
19 Jan	1 To Balance	200 2 4			
	Dr	PLANT AND VACHINERY ACCOUNT	_	Cr	
19 Jan	1 To Balance	1 700 - 4			
	Dr	CAPITAL ACCOUNT		Cr.	
~	]	Jan 1 By Balance	4 929	16	ii.

# EXERCISE IX-No 14 (contd)

Dr	Dravings Accour	VT.	Cr
19 an 27 To C	ash £ 50 s a		
Dr	BOUGHT LEDGER ADJUSTME	NT ACCOUNT	Cr
31 31	Cash and D set Re cont O wards Re cont O wards Re and D scount Re and D scount Re Re Re Re Re Re Re Re Re Re Re Re Re	By Ledger Balances Purchases	f 606 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	170 6 Jan 31	By Balance b/d	1 552 15 2
$D_7$	SALES LEDGER ADJUSTMEN	T Account	C <sub>7</sub>
19  an 1 To	Ledger Ba ances   1 61 8 7   Jan 31   Sales   1132 6 9 31   Bls Rece vabe   100 7 6 31   (d.honoured)   120 9 2 10 1	By Returns I ward I Cash and D set E lis Rece vable Balance e d	f s d 16 2 1523 7 238 1 1 260 18 1
Jau 31 To	Balance b d 1 63 18 1		/3 049 2 10
	GENEPAL LEEGER TRIA	L BALANCE	
Bills Reco Drawings Wages Salaries Petty Ex Rent Ra Purchase Returns: Discount Furniture Plant and Capi Boug Sales Retu D sco	Account  penses ses and Taxes  strong to the ses of the	6,50   5   d   7   7   7   7   7   7   7   7   7	

#### CHEBONE III D

MERK	ASE IX-No 17.					
D	JOINT	ACCOUN	r	OF ADA	M & BELL	Cr
19 une 25 25 25 25 23 23 25 uly 10 10 29 29 20 20 20 20 20 20 20 20 20 20 20 20 20	To Adams  "Bell" Adams (Pxs) Bell (Lee) Adams (Com) Adams (Pxs) Adams (Pxs) Bell (Exs) Bell (Exs) Bell (Exs) Bell (Exs) Adams (Com) Adams (Com) Adams (Com) Adams (Com) Adams (Com) Adams (Com) Adams (Com) Adams (Com)	1 690 - 1 359 - 25 - 31 10 2 16 20 379 16 23 497 16	6	19 July 10 . 17 . 29 Aug. 5 Sept. 30	By Belt Adams Belt Bell Adams	£ 502 10 830 10 819 - 258 400 -

Dr	JOINT ACCOUNT IN	ADAM'S BOOKS	C <sub>f</sub>
19 July 17 Sept 30 To J stores Oct 5 Reff	630 2 d 630 819 4 3	June 28 June 28 July 17 Sept 30 Continues Commission Commission Share of Profit	1600 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

(The Joint Account in Bell's books is appended but only to show how the clearance of the venture is affected.)

Dr	JOINT VEN	TURE	IN BEL	T'S BOOKS	Cr
July 10 , 29 Aug 5 Pictures	1 8	1 d - 397 10 - 819 - 756 -	19 June 25 July 10 29 Aug 5 6ept 30 Oct 9	By Pictures Cash (I xs.) Commission Commission Commission M Share of Profit Adatus	1 330

#### EXERCISE IX-No 18 Cr. $D_r$ LEASE ACCOUNT 1934 193> 13 200 Mar 31 By Repars Apr ٠, To Cash 220 31 Depreciat on Balance c/d 1 282 Costs of Acquast on 12 820 Alterations 31 (14 190 £14 190 1935 12 820 Mar 31 To Balance bid $C_r$ MOTOR CAR ACCOUND D 1934 1933 [ 170 120 June 30 By Creditor Apr 1 To Balance June 30 300 Depreciation Creditor (1 months@20%) 193+ P & I A/c (foss on Mar 31 calel 10 400 31 Balance c/d £470 1470 1935 Mar 31 To Balan e b/d £300 EXERCISE IX-No 19 SALES LEDGER CrPRIVATE LEDGER ADJUSTMENT ACCOUNT Dr 19 19 625 125 4 031 To Returns By Balance Sundry Debtors 35 427 Cash 314 iscounts B da Receivable 2 035 720 Bought Ledger Bought Ledger 1052 2 582 Balance e/d 39 453 3 453 PRIVATE LEDGER Dr SALES LEDGER ADJUSTMENT ACCOUNT Cr 19 19 4 031 . 625 To Balance By Returns 31 130 Sales as per S B 35 422 Cash D scounts 1 314 Bills Receivable 2 035 Bought Ledger Bought Ledger 107 2 582 Balance c/d \_ 39 453 39 453

I	O+	JOINT VENTU	RE	Cr
19	To Cash , Int on Capita	2 A/cs 24 600	By Cash Balance flors) to Capital Account Robuston (f.147) Jones (1 102) Brown (982)	9/40
		CAPITAL ACCO	craere.	
ı	Or.	Robinson	OXI	Cr
19	To foint Venture	1 117 5 10 7 748 39 2	By Cash Lintered (charged again venture)	# 216 5 -
		CAPITAL ACCOU	th/T	
1	07	Jones	581	Cr
19	To Inst Venture	1 0.55 8 4 19 7 977 1 8	By Cash , Interest (charged a gash yeature)	7 5 (n 197 10 18 697 10

### EXERCISE IX-No 20 (contd)

# CAPITAL ACCOUNT

$D_{7}$		Br	OWN		Cr
19	o Jost Venture Cash	962 5 16 6 673 19	19	By Cash Interest (charged a gain yeoture)	7 450 5 186 5

		loss equals			
Jones s	**	,,	158	,	
Brown s	**	••	113	**	

Dr		C/	\S	н	воок		Cr	
1	To Capital Accounts— Robinson Jones Frown Jonet Venture (Proceeds of sale of pig fron)	8 650 7 900 7 450 21 500	-	4 1 11	19	By Joint Account (purchases of pig tron) Capital Accounts— Robinson Joses Brown	7 077 6 673	19 2 19 2 19 2

#### EXERCISE IX-No 21.

Fired Assets are those acquired for the purpose of earning, or giving faculity for earning, meome

Floating Assets are those acquired by trading and the subjects of trading

#### FIXED

WI OATING.

Plant and Machinery Freehold Land Patents Book Debts Stock in Trade Consols, £200 Bills Receivable Goodwill

#### EXERCISE 1X-No 22.

A Trial Balance is a list of all Ledger account balances extracted with the object of proving the arithmetical accuracy of the postings A Balance Sket is a statement of Ledger account balances remaining

A Balance Sheet is a statement of Ledger account balances remaining after the preparation of the Trading and Profit and Loss Accounts and their relative accounts balanced by transfer

The error of posting a debit balance of a Personal Account to Revenue

Account will not affect the Iriai Balance as regards proving arithmetical accuracy
The Balance Sheet will show the Capital Account arounds adjusted as

The Balance Sheet will show the Capital Account wrongly adjusted, as the item in question would have been transferred to Profit and Loss, instead of appearing as an Asset

### EXERCISE IX-No 23

### COLLIERY COMPANY'S BOOKS

		100	ENAL				
19 . July 1	R Scott To Commission 1% of £172/5/- To Discount 5% of £172 5/- ler 3:	mos	:	:		s d 17 6	1 14 5 2 3 1
,, 1	Bills Receivable To R Scott Bill drawn @ 3 mos	:	:	:	\$180	Ш	176 2 6

# EXERCISE IX-No 23 (contd)

#### SALES BOOK

19 July 1	R Scott—  520 tons Silkstone Coal @ 12/6 per ton Wagon Hure (>20 tons @ 9d per ton)  Total of Invoice	325 19	10	đ	£ 344 7344	s 10 10	ď
_			1	I		_	_

# (Debit Side)

19 July 1	To R Scott (} of value of Invoice)	£ 172	s	d *
	and the state of thrones,		_	<u> </u>

# LEDGER

R Scott	Cr	
19   To Sales		6

Note -1t has been thought unnecessary to elaborate all the single item. Ledger accounts

# EXERCISE 1X-No 24

See 1dtanced Accounts pages 37 (under Profit and Loss Account ) to 42 (inclusive)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19 . TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19. Unished Machines (400) By Sales of 10 000 Machines By Trading Account. Stocks (31st Dec )-Raw Materials THE FLYAWAY BICYCLE CO. sd 4 600 55 180 088 0117 49 480 1,250 65,180 3 200 1 650 3 000 2 500 Manufactuiing Lxpenses. Balance Gross Profit c/d To Sundry Branch Expenses Raw Materials Panished Machines Plant and Machiner Agents' Commissions Balance, NET Profit EXERCISE IX-No. 25. Travellers' Salanes To Stochs (1st Jan )-Productive Wages Debreciation Bad Debts Purchases å Ď : : : : 2 240

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EXERCISE IX	—N₀ 26	
	I IRONS LEDGER	
Dr	S STEEL	Cr
Mar 1 To Blap	Payable   125 10 6   19 June 4   By Cash	£ 5 d 6
Dr	BILLS PAYABLE ACCOUNT	Cr
June 4 To Cash	126 10 6 Mar 1 By S Steet	£ 128 10 6
$D_{\mathbf{r}}$	Cash Account (Bank Column)	Cr
	(Bank Column)	Ur .
June 4 To S Ste	el 126 10 6 June 4 By B I s Payable	126 10 6
	S STEELS LEDGER	
Dr	I Iron	Cr
June 4 To Cath	f d d 19 By Bills Receivable	126 t d 10 6
Dr	BILLS RECEIVABLE ACCOUNT	Cr
Mar 1 To I Iron	u 226 10 6 Mar 1 By Cash	£ 5 d 6
Dr	CASH ACCOUNT	
Dr	(Bank Column)	Cr
Mar 1 To B ils	Receivable   f r d 19   Mar t June 4   By Bankers D scount	£ 2 2 126 10 6
Dr	BANKERS DISCOUNT ACCOUNT	Cr
19 11 at 1 To Cash	£   c   d   2	

EXERCISE IX-No 27

(PIXED CAPITAL PORM)
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ers Caractals which accounts are appended (ALTERNATIVE FORM) EXERCISE IX-No 27 (contd.)

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Products, 29,000 29,000 83,700 83,700	ne patd. £1,790.	25 7.7	*
	Average due date = 18th April + 87 days = 14th June Amount due to be paid, £1,790, j WALTERS & D BOVE		
April	18th April + 57 days == 14ti WALTERS & B DOVE Nor FOR THE YEAR ENDED 3	8 \$ £22 \$ \$ 6 \$ 10.00	1 - 969 24
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EXERCISE IX—No. 29.  440 to 18th April zaxo Daxx 230 to 86 days beyond 18th A 700 77 700 11 7100 11	01 500 = 57 days Ave SE IX-No 30	Dr. 118A  To Suele, 1st July Thinker Tomanager, & Central Stores Panters & Pointers Materials Nandiscursed Goods Less Purchases Returns Tought Tought lat July Loss Touth lat July Loss Touth lat July Loss Touth	

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#### EXERCISE X-No 1

This question is fully answered in Advanced Accounts (page 327 onwards)

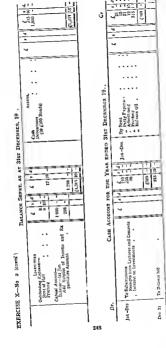
#### EXERCISE X-No 2

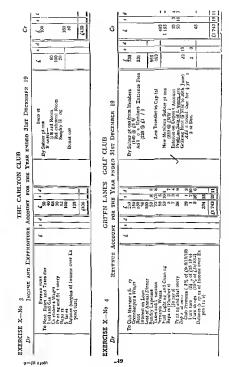
#### THE CHILWORTH LITERARY SOCIETY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED Dr 31st December 19

To Rent for use of Hall  Add amount own.	ر 21	s	d	ε	s	d
Party Expenses Party Expenses Part in Add amount owing Balance (surplus of moone over expenditure for the	12 9	10010		29 10 21 22 296 £360	-	-

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The is 1.5 I sample on pages 331 MM (melmave) of Advanced Accounts except that No 6 is double the figures employed in the I sample

EXERCISE X- No 6

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# EXERCISE X-No 8

Dr

1938 Sept 30 30 1939 Mar 31 31 1939 Mar 31	To J Smith K Brown O Robinson N White To Balance Bad Debts Reserve	£ s d 185 10 18 5 43 3 10 192 5 4 4 2 £ £ £ £ £ £ £ £ 376 7	1938 Nov 16 Dec 9 30 1939 Mar 31	By Cash  Balance bid  By Profit and Loss Aic	£ 55 8 265 £329 £ 976	2 7 4 2 4 7 7	
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1939 Mar 31	To Bad Debts	ξ s d 7				1	
	(a Reserve 1938 was + 2) per cent of (a	14319 104 less E	21 10s	£221 10 402 14			

LEDGER OF MESSRS TUDOR & MANN LTD

# EXERCISE X-No o

Reserve 1939 was

+ 21 per cont of £10 196 10s less £49° 10s

This is as Example on pares 328-330 (inclusive) of Advanced Accounts except that No 9 is double the figures employed in the Example

Additional charge to Bad Debt. Account

EXE

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EXERCISE X-Ho 11

The criticisms are set out in the Answers to Exercises at the end of Advanced Accounts

# EXERCISE X-No 12

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# INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR FUNFU 31ST DPCEMBER 19 LUMILEY AVIATION CLUB

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XERC Dr	ISE X-No 14	()	BARE	3	8	Z	ACCOUNT	ר כטומוט	C BARRAND IN ACCOUNT CURRENT WITH P SMITH				ڽ
Date	Particulars		*	Amount	-	â	Days Products	Date	Particulars	Amount		Days	Products.
3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	To Balawee Goods (Scools (See March 28th.) Goods (A months daw, (e Juny 27th.)		- 558 8 8 x	200 00	2 11 11	25252x	224 440 666/8 266/8 27 0/10 1 925	Teb 24 Mar 28 June 36	By Balt set 2 months, 10 Carest 12th March 24th) Goods (tall March 24th) For the Party 1 = Nay 2nd) For the March 20th 2 months Interest (750.02)	2,000 1,000 730 8	4 111 4	5882	136 400 58 200 43 200 27 500 304 470
99	Balance of Products Balance	\$	221				2,009 634 2,435,760			2,275	-1:1-		2,435 760

RICERPTS AND PAYMENTS ACCOUNT

EXERCISE X-No 13

EXERCISE X-No 15

13th April #3 500 zero

11th May \$5 200 28 days = £145 600 12th June #2 300 60  $\Rightarrow £138000$ 

£11 000

£283 600

283 600 11 000 = 26 days beyond 13th April = 9th May Average due date

A bill for £11 137 10s must be drawn payable 12th August 19 (allowing for 3 days grace)

# EXERCISE X-No 16

See Advanced Accounts pages 14 15 (under Reconciliation Account )

# EXERCISE X-No 17

A Suspense Account is raised for items upon which overies have been entertained and for that reason they are in suspense until the doubts have I cen cleared It is also used at a TOTAL account for outstanding and unexpired values

- (a) I A Claim pending settlement
  - II Unexpired Values of Insurance etc.
  - III Outstanding Amounts for Rent Wages etc
- (b) I Disagreement of Trial Balance
  - II Expenditure not allocated 1 e Incidental Expenses
  - III Any errors or omissions in posting which an indifferent staff may wish to cover-instead of ad ust

Note - A Suspense Account is sometimes called A Difference in Books Account when it is raised for purposes stated under b

# EXERCISE X-No 18

See Advanced Accounts page 19 (under Advantages and Disadvan tages respectively)

# EXERCISE X-No 10

TOTTOMAT OF TACTOON & CO

19	Williamson & Co To Commission	ŧ <sub>1</sub>	7	d 9	£	s 12	d
	1% of £61/13/4 To Discount 5° o of £61/13 4 for 3 mos					15	
	Bills Receivable Fo Williamson & Co Bill drawn @ 3 mos for value of invoice plus commission and discount as arranged	63	1	2	63	1	1
		£64	8	10	£64	8	119

# EXERCISE X No 19 (contd)

# SALES BOOK

	DALLO DOOK			
19 .	Williamson & Co — 25 tons Hematite Iron @ 49/4 Terms Cash I mo	. 61	13	4

# CASH BOOK

		(D)	sett :	MDE		_			
19	To Bills Receivable					£ 63	î	d I	

# LEDGER

	D <sub>r</sub>	WILLIAMSON &	Co	C+
19	To Salea , Commission , Discount	£ 5 4 19 61 13 6 12 6 15 5 £63 1 1	By Bills Receivable	63 1 1

D	,	Bills	RECEIVA	BLF A	CCOUNT	Cr	_	
19	To Williamson & Co		63 1 1	19	By Cash	£ 63	1	1

259

i

# EXERCISE X-No 21.

See Advanced Accounts, pages 222 (under "Formula, etc").

# EXERCISE X-No. 22

# AVERAGE DUE DATE

Amount	Products.	
1,050 due 18th July . 660 91 days before 18th July 375 55	60,060 20 625	Average due da = 18th July - 34 days

ite Amount due to (2,685 91,485 + 2 685 gives 34 days be paid, £2,685.

# EXERCISE X-No. 23

# S SUND'S LEDGER

Dr	M Moon	Cr
Apr. 1 To Bills Payabla	150 4 Apr 1 By Cash a Decount Cash Cash Cash	74 5 4 7 14 1 75
Dr.	BILLS PAYABLE ACCOUNT	C+
July 4 To Cash .	. 150 c - Apr 1 By M Moon	150 - 4
Dr	DISCOUNT ACCOUNT	Cr
19	1 ( 1.10)	

Dr	DISCOUNT ACCOUNT	Cr
19 Apr. 1 To M Moon	£ 5 4 1	

D	r	CASH BOOK	:	Cr.
		Bank.	T	Bank
19. Apr I	To M Moon .	 f 19 5 11 July	4 By Balls Payable .	150 1

Cr

	CASH BOOK	
$D_{\tau}$	(M Moons)	
	Bnk	

		Bnk			Bank,
Apr 1	To B lis Receivable	f   s   d   - d	19 Apr 1 I July 4	By Banker's Discount S. Sund S. Sund	£ s d 1 8 2 74 5 11 75 -

# M MOON S LEDGER Dr S SUND

EXERCISE X-No 23 (contd)

Dr	BILLS RECEIVABLE ACCOUNT	Cr
Apr 1 To S. Sund	f d t9 Apr 1 By Bank	£ 100 1

D	r	Disc	OUNT	Accou	AI.	C <sub>7</sub>		
Apr 1	To Bank	ι, -	s d 8 2 8 2	t9 Apr 1	By S Sund Profit and Loss	£	5 14 14	1 1 2

0	D TOIN	T CO	VSIGN	AE.	NT A	2	UNT IN	JOINT CONSIGNMENT ACCOUNT IN L LANNG'S BOOKS	Ċ	- 1	
		Mths	Int	-	Amount	Ħ			Amount	nt	
1 1 4 1 2 3 3	( no k Dues & Cartage Cavt Duty Ins nce &c Surdies etc B Ils Payable	**0	2 13 7 10 8 7 10 8 8 10 8 10 8 10 8 10 10 10 10 10 10 10 10 10 10 10 10 10	9 404	~8±858	B	19 Apr 30 May 31	By Account Sales laterest (1 mo @ 5% on £1 640)	1 640	s d 16 8	
Z 7 2.2.2.	Interest Share of Profit on Vent Bal due to A Stovenso			1	911 911 911	444					
-6.				151	/1 646 16		00		71 646 16 8	8 1	
à		CONS	IGNAIL	Z	VCC	5	JOINT CONSIGNALNT ACCOUNT IN A	STEVENSON'S BOOKS	Ċ	Ì	
ĺ		Mths	Ĭ	-	Amount	12	_		Amount	벁	
<sup>2</sup> =	To Goods Carriage Insurance Loss on B II	01010	2228	* 4000	25 25 25	# 140 #	19 Jan 1 May 31	By Bills Receivable (due Mar.) 1 Interest (3 mos. Q. 5% on £600) Balance due from L. Lanng	600	10 10 10 10 10 10 10 10 10 10 10 10 10 1	
May 31	Interest Share of Profit on Vent			_	2 =	<u>0</u> 4	81 85				
				5	01 21 888 17	문			01 21 888 17	뜮	

1	28 50 15 4 2 1 240 5 1 240 5 10 5	-	2 34,705	01 25				==		14.257 10	3,780 11 7	151	le les realists
31st DECEMBER, 19													
J SKINNI'R & H FULLI R	riles Less Reterns Inwards	Stock, 31st Dec.		By Triding Account,							:	By Nav Profit by	
SKINNI'R	7,647 III 4 By Sules	18 373 7411 ,	2 337 17 371 18 14 181 12 14 181 12 14 181 12 14 181 12 14 181 12 18 1	979 7 174 18 7 1		75 78 3 75 78 3	517 243 10 10 10 11 10 11 11 11 11 11 11 11 11 1	149 18 8	n i n	3780 11 7	- 14,257 10	756 2 3 1,512 4 8 1 512 4 B	7 11 082 5
MTSSRS J	£ 4 4	2		9 00	42		=	=	583 19 25 26 19		_		
E X-No 25 TROITE	1.	Purchives Less holuras Outwards	Carriage Inwirds  Wages (17-ctoria)  Manuf ceturing Experies  Balance Gross 17-cf. cf. cf.	Office Salaties	Raies, Janes, and Insurance Less Insurance Unexpended 24 7 6	Reporter and Remewals Legal Sprongers and Andril Legal Legal Sprongers and Andril Commercial Travalisms (1979), of £27 7-50/10/- (Ner Sales)	Discount Account Carriage Ou wards Carriage Ou wards Fad thebs	Department (24 of £7 682/17/4) Department Department etc (10°, of £1 489/6/8)	Shaner (8% of (1), 679/3(11) Shaner (8% of (1), 679/3(11) Shaner (8% of (10) or 6 mos ).	= 2	Tourse H	To Reserve for I'mployees (I share)	11 Feller's Capital Account to secure

EXERCISE X-No 25 (contd.)

MESSRS J SKINNER & H FULLER BALANCE SHEET AS AT 31ST DECEMBER 19

	1	1	3		2	1	מעדעות היוויד על זיי כופי דייוים וויידעות		ĺ	ł	ľ	ľ	•
LADILITIES	٠,	5 4	g	Ĩ	,	ď	Assets	42	ы	ъ	43	- 5	73
Sundry Creditors Reserve for Employees				3 641	50	010	3 641 12 2 Cash in hand 756 2 3 Cash at Bank . (	1 110 19	212	r =	11, 260	_	
Capital Accounts—  J Shinner  Balance 1st Jan	11 679		200				Sundry Debtors Less Bad Debts Reserve	7 982 13 199 11	22	44	7 783	: 0	
Add Interest , Share of Profit	1512 4	4	200				Stock Plant Mach nerry and Portugas	1 489	ď	·α	8 954 12	121	Ć1
Den Den Control	13 800 7	7 10	2				Less Depreciat on	148 18	18	000	340	α	
Il Fuller		1		12 828 17 10	17	10	Advertising Less Amount written off	12 127 5 550	401	63			
Balance 1st Jan Add Interest Share of Profit	583 19 3 1 512 4 8	ु के क	~ 20				Freehold Land and Buildings Unexpired Values—	:	1		6 237	19	4.1
Less Drawings	13 775 7 10	7 10		8			Instrance	24.0	173	101	42 15	10	œ
			T	12 932 15	2	4			_			T	۵,
			4	691 06 7	7	7				<u>ج</u>	£ 30 159	7	7
	_	_	_		ľ	1				-	Ī	ï	1

266	KEY TO ADVANCED ACCOUNTS					
EXER	CISE X-No. 26 JOURNAL			_		
19	Joint Account		đ	£ 1 050	5	d
	Marshman & Co To Joint Account For sale of part of goods purchased on joint speculation			650	-	-
	Joint Account To Commission 5% of £1 500			75		-
	Joint Account To R Roberts For transfer of share of profit due to R Roberts			160		-
	1935 A 105613	_	-	/1 935		-
	PURCHASES BOOK		_			
19	Joint Account . (Goods bought on Joint Account taken, into stock)		400	8	d	
	LEDGER					
D	CASH ACCOUNT	_	_	C,	_	_
19	To R Roberts   f   22   4   19   By Joint Account (Expense		6,53		4	
D	JOINT ACCOUNT			C+	_	_
19	To Maker 4 Co.   16	8.0		650 450 470 £1,500	,	d

EXERCISE X-No 27
IOURNAL OF DOBSON & CO

19 May 8	Fred Hunting Dr To Braim & Son Sale of Goods received on consignment inwards	₹ 400	s d	€ 400	s
, 24	Braim & Son Dr To Handling Charges (5s per tou on 20 tons) To Commission (5 per cent of £615 talle of 5ale of Goods received on con signment inwards)	35	15	5 30	15

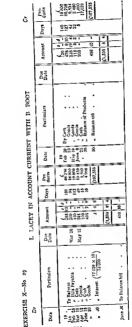
_ Dr	CASH	B00	K OF	DOBS	0N & CO	Cr		
19 May 24	To Cash (Auction Sales)	21	s d	19 May 19 13	By Beam & Son (Cor truke) B aug & Son (Preight etc.) Beam & So	9 24 341	7 8 8	4 0.9
						-11	_	_

# LEDGER OF DOBSON & CO BRAIN & SON Cr 15 1 2 19 19 10 To Cann 1 5 1 4 19 19 18 F. Hentin, (60)

19 May 10 13 n 24	To Carn Handling Charge	t s 9 7 24 8	6 9	19 14 y 8 12	By F. Hunting, Cash	(100 215	0
24 24	Commuss on Bank	30 to 212 8	9			-	
		£615	-			£613	Ŀ

# EXERCISE X-No 28

- (a) See Advanced Accounts page 214 (under Definition\*)
- (b) See Advanced Accounts page 226 (under Definition )
- For explanation of Uncompleted Consignments see Advanced Accounts page 217 (under Balancing the Consignment Account )



**2**6S

â Date

#### EXERCISE X-No 30 **JOURNAL** 19 B Bowman To Bills Payable 200 Our acceptance at 1 mo R Brown 350 To B Bowman 350 Sale of part of goods received on con ment 300 Purchases Account 300 To B Bowman Balance of goods received on consignment B Bowman 50 To Commiss on 5% of £1 000 £900 £900 $D_{7}$ CASH BOOK C+ 19 <u>{</u> 3,0 To B Bowman (Sale of part of la contigument) By B Bowman (Cartage & Exps ) 730 Bowman (Balance due on às consistant a ) LEDGER Cr Dr BOWMAN 19 19 350 By R Bown To Cash Cash Bls Payable 350 Purchases Commuss on Cash £1 000 £1 000

EXERCISE XI- No 3

THE NFFDIFBORF TRADING CO

Ċ	Tor	32 169	23 200 17 10 12 795 1 8 35 995	6 823 2 4 3 368 6 7 10 193	2 4 (3364 6 7 10193
	·	*41	-	100	101
	Carpet Dept	2 971 1	12 795	3 368	598 67
		24.00	12	4	
	B.,	* or o	2	0	1001
	Lineleum Dept	21 440 1 754	23 200	6 823	2 528 97
TRADING AND PROTIT AND LOSS ACCOUNTS FOR THE PERIOD ENDED	Particulars	By State—HCH Stocks at cose	y	By Tre I ng Accounts	
TS FO	Date	<u>e</u>			
5		#2=0 E	10	V 20 2	1=1
Š	4		2	5454	121
oss A	TOTAL	4 241 12 035 3 549 10 193	15 99, 19	2 045 13 9 1 022 16 10 3 068 10 81 13 3 1 5 696 11 7 1 789 14 81 10 305 11 7 996 18 2 974 19 8 1 443 5 3 4 418 4 1	6 7 10 193
Ä		# @ B H B P	(3)	37.20	1-1
è	28	*2-20000	Ŀ	2250	
-FI	Carpet	384 384 384 384 384 384 384	12 795	1 022 596 305 1 443	(3 369
80		20+004	12	3.50	1.1
P.	7 to	*32500	2	6600	10
AND.	Lucleum	200000 200000 200000 200000	23 100 1	2 974 2 974	£6 825 2
D, TRADING	Part culars	To Stocks at continuounent jurchises her Namestur g Lapenses Namestur g Lapenses Labance (gross profits)	7	To Salaries Reco Rates and Toxes General Expreses Dalance (war profits)	
Q	Pale	<u> </u>			

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Dr Trading	A Dept	B Dept	Terat	AND PAOTY AND LOSS ACCOUNTS FOR THE YEAR ENDING 31ST DECEMBER, Albert Bidest Year.	A Dept	B Dept	ర క్ష
To Stocks, 1st Jan Purrhava, Bilance (gross profits)	32 516 11 8 61 9k7 16 7 18 258 18 1		20 03 20 03 30 03 30 03	11 4 Slocks 31st Dec. 5 2	22	8,918 8,918 16	127,969
To Trade Expenses Discounts Allowed Housekeeping Expenses Holling (Net Profits of Departments)	2012 2012 2012 2012 2012 2012 2012 2012	25 - 15 - 15 - 15 - 15 - 15 - 15 - 15 -	10 187 8 2 2 2 2 11 15 9 9 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	By Trading Accounts , Discusses Received	1,826 18 1	11,818 9 11,818 11 124 8	21
	\$   611 02.7	(13 353 [14] 7	1.43,466 15		620,113	£13.343 14 7	(33 466 18 -
GENS	ERAL PROPIT	AND LOSS	ACCOUNT TO	GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.,	Оксемвея,	19.	
To Interest on Capital Accounts— Jestrey (5% of £2 3518/10/2) Slater (5% of £16,579/4/8) Glbbs (5% of £13,178/16/7)	0unds- 18/10/2) 79/4/8)	1,175 16 6 818 19 3 658 1610		By Departmental Profits—B		\$ 5 7	£ 8 7,438 3 6,485 19
Bulnice (Profit) to Capital A/cs- leffrey, § share Slater, § share Glibis, § share	****	3,756 3 3 3,756 3 3	2		~		
		4	11,268 9 9				£/13,922 2

MESSRS DAVIS & SMITH

(Dr side)		No 1 Dept No 2 Dept No 3 Dept	No 4 Dept   No 5 Dept	1 JOINE
1 secret in July 1 secret file of the Department of secret files (61) 225 + Real [115] 15 secret files (61) Department of the Secret files		277 20 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	537 15 6 657 13 253 3 3 1603 8 255 8 5 258 19 221 8 5 258 19 222 7 16 2 52 440 5	13 2 2 2 2 2 2 2 3 3 3 3 3 3 3 3 3 3 3 3
(Cr side)		No t Dept   No 2 Dept   No 3 Dept   N	No 4 Dept No 5 Dept	TOTAL
L D. Siber 1 alse De emisee		1 \$69 14 56 1 \$72 2 14 5 159 15 8 1 6 6 7 7 7 7 9 9 12 13 3 22 9 0 1 10 62	1 719 18 3 2 562 11 567 17 11 757 14 (2 2 8 7 16 2 72 8 4 0 5	2 2 2 2 3 2 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Dr General Propit and Loss	ACCOUNT FO	GENERAL PROFIT AND LOSS ACCOUNT FOR HALF YEAR ENDED 31ST DECEMBER	ter 19	Ċ
To Interest on Capital Ac ounts—  Davis (7° of £1 925 for 6 mos) 48 2 6 Smith (5% of £1 925 for 6 mos) 48 2 6		By Dep	151 11 8 173 3 1	p s 3
Accounts—Davis 4 share 451 1 4	8 8	S 4 10	256 1911	988 7 8
	1 7	0 100 1		8 2 8663

EXERCISE XI-No. 5 (contd.)

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- 1	2 S	0.074	i —				_	
-	427	583 567 757						
							_	-
1	A		5 m					-
	<i>y</i>		~~2]					_
	3		616					
							_	7
BALANCE SHEET AS AT 31ST DECEMBER 19	Assers Stocks— No 1 Dept	No 3 Dept No 2 Dept No 3 D	Furniture Less Depreciation					
2						310	9	L
5	2 4 1 0 I						12	1
AS						*	10	1
HERT	2 036 115			2		2 124	ZI 668 9Ĵ	L
S	-	10 4	181		4 18	<u>'                                    </u>	_	_
2	, a	164	181	69		TT		_
BALAB	3	48	2 424	1925	2 424	300		
				_	_	_		_
	2				_	_		
	49						_	_
	·42							_
	==:=::	_ ====		====		e e		
		42.50	. 12	rest o	ij	wing		
	Liantiffes Sundry Creditors . Rent Outstanding	Capital Accounts— Davis 1st July Add Interest Share of	Tone	Smith 1st July Add Interest	Pro	Less Drawings		

THE TOILET SPECIALITIES CO

TRADING AND PROTIT AND LOSS ACCOUNTS FOR THE YEAR PURED 30TH JUNE 19 ..

Torate ů

'Erre Moor '' De Lage' Torke. Hair Took Torke.	7,273 7 618,10 543,17 238,17	9 91 20 20 20 20 20 20 20 20 20 20 20 20 20
	Salder— "The Cean and a state of 1/11 per bot ) 38 808 bottlet (4 1/11 per bot ) (498 bottlet (6 8) bottlet (6) Key bottlet (8) Key March Flored March Flored Bottlet, Labels, etc.	hy Trading Accounts
Torax	à ·	21 092 15 6 427 15 6 5,896 340, 7 3 722 16 6 6,481 18 6 14,552 2 8
		g 3 3
The Jame Toods Prife	260 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 870 00 4
	2 2 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	271 27 27 28 28 27 28 27 28 28 27 28 28 28 28 28 28 28 28 28 28 28 28 28

276

Not -The undivided Expenses are borns in the following proportions, { Toom Pasts Dept., 192048, 192058,

# EXERCISE XI-No 8

# THE LUXWORTH MOTOR CAR WORKS LTD

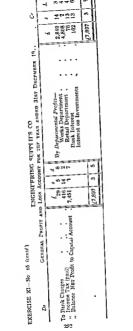
Me	TOR-CARS TR	ADING ACCOUNT		
Dr FOR THE	YEAR ENDED	31st December 19	Cr	
To Purchases . , Bal (gross profit)	15 725 5 d	By Sales	18 950	s d
		Anding Account 31st December 19	Cr	
To Accessories used , Petrol Oil etc used , Bal (gross profit)	2,418 15 6 657 511 858 6 7 43 934 8	By Sale of Accessories Sale of Petrof Oif etc	2 907 1 028 1 3 934	14 8 3 4 8 -
		DING ACCOUNT 31ST DECEMBER 19	Cr	_
To Cost of Repairing Cars ,, Bal (gross profit)	f s d 818 16 5 89 16 2	By Charges to Cus tomers for Re pairing Cars	906 1	4-
	£906 12 7		£906 1	2 7
		ADING ACCOUNT 31st December 19	Cr	
To Expense of Hire Cars		By Charges to Cus	£	s d
" Depreciation (20% of 4574)	114 16	tomers for Hire	467	3 9
"Depreciation (20% of £574) "Bal, gross profit	114 16 144 3 4 (467 13 9	of Cars	467 I	

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	2	2

Dr. Depart	MENTAL TRAI	T TH	OMP	SON 1	T THOMPSON PAWNBROKER DEPARTMENTAL TRADING ACCOUNTS FOR THE VEAR ENDED 31ST DECEMBER 19		ů	
	Pledged Coods Dept	Goods for Resale Dept	Total	7	Present Goods Dept	Goods for Resule Dept	Total	- a
ecka 18 Jun Fribes ) I ke Dept (steck transfer alas et gross predival ] parimen		2065 10 5 657 16 8 720 9 10	10. 2 192 13 4 16. 8 13726 14 6 19. 19. 19. 19. 19. 19. 19. 19. 19. 19.	~5823-181	P. Rodermed Account: 11 fb fs 12 fb fs	2 389 15 7 2 880 14 8 63 000 10 3	13 512 5 2 369 15 1 2 369 15 1 0 30 8 8 46 10 2 5 0 3 8 18 11	*0 E + 0 1 2 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Dr GENERAL	PROFIT AND	Loss Ac	COUNT	Į,	GENERAL PROMIT AND LOSS ACCOUNT FOR THE YEAR ENDLD SIST DECEMBER 19		ΰ	
To Wages and Staires  Rent Rates, and Taves  Sandy Experies (1882 of 1822) 4/29  Inferent on Computation (1882 of 1822) 4/29  Inferent on Computation (1882 of 1820) 4/29  Inferent on Computation (1882 of 1820) 4/20  Inferent on Computation (1882	of (627/14/2) of £7 000/15/ outal Account	216 216 218 218 31 31 31 676 676	2002112	# w G a w w w 4	By Tradug Accounts— Packs Department Results Department Sale of Tridts	1 190 520 157 £1 868	" Hed   H	4 80g F
				7				

EXERCISE XI-No 15 (confd)				Ü	GE	G GREASLEY			ò	
D, GEVERAL P	ROFIT AND	Loss	200	B	20.	GEVERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19	1	1	5	Ŀ
To Bad Desir Saturation and Taren Saturation and Taren International Conference of the Conference of t	(65/14 9)		_+ <u>r</u> 2822855128	******* <b>***</b>	്കൊഗുകയുന്നു.	By Tracket Gament— Tracket Gament— Repair Department Repair Department Department		610 610 100 100 100 100 100 100 100 100	12.22	a no so
, Dalance Net Profit to Capital Account	-	14	(4 680	·   ×	2			64 680	2	2
S	1	ENC	N. S		NG Y	XI-No 16 ENGINEERING SUPPLIES CO	R 19		ŝ	- 1
Dr Departmental Land	Works	Reta l		Total		Norks	Retari		ř	Total
To Starts 1st Jan Parenses 19 Parenses 19 Carriago 10 Latinge group profits of Departments	6 1 1 0 6 6 8 7 4 3 6 10 6 8 7 4 2 6 19 4 4 6 6 3 17 10 6 6 10 6 6 10 6 10 6 10 6 10 6 10	2 6 573 14 56 19 2 5 14 56 17 16 6 835 2 2 14 56 17 16 6 835 2 2 14 56 17 17 10 6 835 2 2 14 56 17 17 10 6 835 2 14 56 17 17 10 6 835 2 14 56 17 17 10 6 835 2 14 56 17 17 10 6 835 2 14 56 17 17 17 17 17 17 17 17 17 17 17 17 17	400000 L	7 630 41 400 8 341 2 637 11 498	-010 E 4	By Sales 314 Dec 17 508   19 2 500 18 19 2 500 18 19 2 500 18 19 2 500 18 19 2 500 18 19 19 19 19 19 19 19 19 19 19 19 19 19	2 6 5 5 14 7 62 402 7 520 18 10 8 486 1 7 520 18 10 8 486 1 48 406 13 5 70 948	40 10	62 402 8 486 48 12 48 13 70 948	*00000
ies i ant Taxes Bai Debis Regive		507 572 325 10		773	6 8 5	By Trad ng Accounts (4663 17) 10	6835	1 0	1 11 498	-=
Balance Not I roft of Departments	2 849 14 3 4 808 £4 (b3 ] 7 10 /6 835	4 508 2 6 835 2		1 687 16 7 7 687 16 7	9 9 9	74 663 [17] 10] (6 835		- 01	1114981911	

10-(1) 1406)



# EXERCISE XI-No 17

See Advanced Accounts pages 3 (under Systems of Accounting ) 4 and 5 also page 2 (under Accounts )

## EXERCISE XI-No 18

See Advanced Accounts page 31 (under sub heading Difference between a Trading Accounts and a Profit and Loss Accounts)

The accounts from which the Trading and Profit and Loss Accounts are

The accounts from which the Trading and Profit and Los prepared are—

TRADING
Stock
Work in Progress
Purchases
Sales
Carnage
Wages (Product ve)

Wages (Product ve)
Expenses (Manufacturing),
etc

PROFIT AND Loss Carriage Outwards Rent Rates and Taxes Salanes Wages (Non productive)

Discount Commission Ins rance Interest etc

# EXERCISE XI-No 19

A suitable form of Cash Bock for a large institution such as a County Asylum or Hydrograthic Institution would be as described on page 12 of Advanced Iccounts (under Bank Cash Book ) and illustrated on pages 290 and 291

It would not be necessary to have the Sales column as institutions are now trading concerns. Modifications of rulings to the right of the Bank column may be made to suit the particular requirements of the institution

# EXERCISE XI-No. 20,

# JOURNAL OF ROBERT SAWYER

19. (1)	Fire Insurance Unexpired To Fire Insurance Transfer of prepaid insurance	έ <sub>25</sub>	s d	£ 25	s	d.
(2)	Salaries To Salaries Reserve Provision made for salaries due to partners A, B, and C	125	-	125		
(3)	Cash To R Robinson (Contractee) For receipt of £100 in Iuli settlement of contract price	\$00	-	100	-	-
	R Robinson (Contractee) To Contract (R Robinson's) Transfer of amount equivalent to half of value of contract	50	1	50	1	-
	Contract (R Robinson's) To Materials and Wages, etc For materials and labour on contract	39	1	39	1	-
	Contract Account To Profit and Loss Account For estimated profit on completed portion of contract	11	1	11	-	-
(4)	Depreciation To Patents  of \$\delta 550\$ written off.	78	11 5	78	1	5

# EXERCISE XI-No 20 (contd)

# JOURNAL OF ROBERT SAWYER (contd)

19	Patent Fees (Renewal) To Patents Transfer of patent fees	£	s 7	d_	€ 7	s 7	d -
	Profit and Loss Account To Patent Fees Transfer of balance	7	7		7	7	-
(5)	Depreciation Account	20	8	2	20	8	2
	Value at end of 2nd yr f 162 Less 10% 16 4 97 4 Value at end of 3rd yr f 145 16 187 9 7 Loss in purchase value of mill ing machine = 145 161 [87 97] 58860 which sum it would be vell to write off over a period of a years (t of which is included in depreciation for this year)						
	Profit and Loss Account To Depreciation Transfer of balance	20	8	2	20	8	2
		₹484	1	9	£484	1	9

# EXERCISE XI-No 21

In the opinion of the writer the abbreviated Statement presented to Subscribers etc. is very unsatisfactory for the following reasons—

(a) A Cash Statement (badly constructed) does not adequately explain the financial position of the Institution

(b) According to the Statement submitted it appears that the grants and purchase of Consols on account of Trust Funds exceed Income—an anomalous position without fuller information to work upon

(c) Grants have been made amounting to 44740 against receipts of subscriptions etc. of 44629 evidence of imprudent allocation of the funds of the institution

See also Advanced Accounts page 327 (under Errors in Published Accounts )

EXERCISE XI -No 22

# IOURNAL.

19	Consignment Account To Goods on Consignment For goods cousigned to A Archer of Sydney	£ 5 d -	£ 5 5
	A Archer To Consignment For gross proceeds as per A/s	800	800
	Consignment To A Archer For commission and expenses as per A/s	85	85 -
	Bills Receivable  To A Archer  Bill drawn at 1 mo for balance of account	465	405 -
		£2 [00	12 100

E	)r		C	ŝн	oca	к	C		_
19	To A Archer		200	4	19	By Consignment A/c— breight 514 Insurance %	₩ £	3	-

I	)7	LI DGER Consignment Acc	COUNT	Cr	
19	To Goods on C'ment Cash (t up thes) A Ander (Exps ) Balance (Prost)	£ 5 4 19 84 - 1 85 1 - 2 85 1 - 2 85 1 - 2 85 1 - 2	By A Archer (Gross proceeds) Unstall Stock off Proportion of Ex penses of	2-0 28 (1 078	 -

ω	EXERCISE XI-No 23 (soutd.)	M	ã	G.	Z	13	MILDRED & MERRYWEATHER				
-	Ut PROFIT AND LOSS A	יברסרי	91	OB E	3	3	Profit and Loss account for the half year ended Jist December, 19,	į		ć	
-	To Office 4 three Patents Salanes a fact and I nutrino a fact and I nutrino	, 22 25 25 25 25 25 25 25 25 25 25 25 25 2	2 SI	~8£	A.0.3	200	Py Tranking Account.  I care of Stabburg My, off Peers of Stabburg My, off Peers of Stabburg Cappabb agaust J. C. Midared (28 weaks (6.20-)).	2 22	آاه ۾	4 072	w 1 e1
	Less Invarance prepare	196 15	1510			~	-		==		
	"Reparts and Renewals of Machinery Gas and Water And Water And wholes for half year	125 29	F	28							
	a Traveller Commission a Interest on Morsage (1 year) Trivel ing Expenses Jank Crysges	-		និងខ្លួន		0 Pr 1 19	2-2-7				
259	Article Lagents; Anteres on Bouss Account Box Debts Reserve (amount prov. et a) Lety Old Reserve	138		6 m	0+	+0					
	Debre tottos— Land, and Buldings (1°, of £6 300 for 6 mes) Mythinery and I had (10% of 20 40 17) for 6 mes) O'the Formune	252	1 1 96	35 	20						
	Datande c/d	$\dagger$	-	338	₹ <u>0</u>	mm j			~		
	To Interest on Capital Accounts—			821	120		By Baltages bfd		141	1 778 13	10.10
	W F Merryweither (3% of £) 10 J7 for 8 mos ).	2	5 1		-	=			-		_
	R A Merryweather s Borus (15% of £1,422/1/3)			213	213	in.					_
	. Belance, Ner Profit in Capital Accounts— J.C. Middred, 4 state W.F. Merryweather, 4 state	604	77		E.				~~		
			-	0.778	2 2	01 ) 97 ]			141	£1 778 13	12

121"

2 343 17 8 90 15 25 \$ 946 17. 356 2 700 6 300 6 250 £200/-1 Wages paid recoverable from Insurance Co. Insurance prepaid VESSRS J C MILDRED & W F MERRYWEATHER Machinery Plant and Utens is SSSETS S Sundry Debtors
Less Bad Debts Reserve Decount Reserve BALANCE SHEEF AS AT 31ST DECEMBER Less Depreciation Less Deprectation Land and B ildings Less Depreciation Stock of Materials Office Furniture Cash £ 8 4 4 338 14 5 500 19 6 825 13 1 219 9063 \* Ξ 800 1 250 23 8653 216 504 9 474 6 354 183 9 \$ 610 804 804 33 / -Len Drawings (229/3) Transfer to Ce of R. A. Merryweather 100/ /-Add Interest
Transfer from Profit and Loss
Transfer from W 1 Merryweather EXERCISE XI-No 23 (could) Capital Accounts—J C Midded Haltme 1st July Add Interest LIABILITIES Larestors of Hy 18 atton-Loan on Mortgues 444 Interest due W. F. Menyacaber
Balance 1st July
Add Interest
Share of Iroft Bills Payable Sundry Creditors Less Discount Reserve Less Drawings ... Kent of Stabling Share of Profit R A Merrya cather Beaus Account Loss and Water -Butao straous 3 unk Ovendraft

289

509 14

Lett Drawings

0,0

## EXERCISE XI-No 24.

## STATEMENT OF PERCENTAGES BASED ON TURNOVER.

## NET Sales £19 101/3

Materials Consumed (including Royalty)		57 15
Wages Net		23 72
Gross Profit		21 32
Net Expenses, 10 (£4,126/2/10-£1 779/13/3) £2,347/9/7		12 30

EXERCISE XI-No 25 JOURNAL

19 J տ	1	Bank Account	1 000	.s	d -	£ 1 000	٥	đ
	2	To Capital Account  Purchases Account	362	1	8		-	
		1ο λ & Co				362	1	8
,	2	X & Co To Bills Payable	362	1	8	362	1	8
٠	3	Office Furniture To H B C Furnishing Co	131	10	1	131	10	١.
•	3	H B C Furnishing Co To Bank Account	131	10	И	124		
		Discount (7° of £131/10/ )	271		3	6	11	6
•	3	Purchases Account To London Tra i ng Co	2/1	G	3	271	6	3
	3	London Trading Co To Returns Outwards	51	6		51	6	
,	3	London Frading Co To Bank	220		3	220	П	3
٠	4	H Jones fo Bank	50			50	П	
•	4	Billy Receivable To H. Jones	55		ı	55	1	
•	4	H Jones To Interest	5		П	5	П	١.
	5	Petty Cash Account fo Banl	10	ı	П	10	П	l.
,	ŧ	George & Co To Sales	220		П	220	П	ı.
	6	Bink Account Discount Account (21° on £220) To G George	214 5	10 10		220		
	7	Purchases Account To W & H Johnson	862	11	1	86.	11	١,
	*	Salary Drawings To Bank	3 17		1	20		
"	9	Bank To Saks Sal s to A Murray & Co	71	6	0	71	6	2
10	10	Stationery To Petty Cash		15			la.	
	11	Nurray & Co To Bunk A Nurray s cheque of 9th inst re turned dishonoured	71	6	0	71	C	2
			74 115	14	3	/4 115	14	3

# EXERCISE XI-No 26 MR PRICE'S IOURNAL

19. Jan 18	Cash Account	£ 100	s d	£	s	đ.
,, 18	R Goodman To Bills Payable (including Interest)	101	5 -	101	5	-
,, 18	Interest Account To R Goodman	1	5 -	1	5	-
		£202	10 -	€202	10	Ξ

## FORM OF INLAND BILL OF EXCHANGE



of One hundred and one pounds, five shillings, for value received

To Mr P Price,
25 Amault Avenue,
R A. GOODMAN

Chingford

## EXERCISE XI-No 27

D <sub>7</sub>	1	NSURANCE	Accou	NT.	CF
1937 Jan J Mar 31 June 30 Dec 1	To Balance b/t  Sumfaces as Purchases Book (25 per cent of £5 000 cent ef £5 000 per cent of £5 000 per cent of £5 000 per cent of £5 000 per cent of £5 000 per cent of	1210	1931 Dec 31	By Unexpired Insurance 3 mos. on (7) 6 (2) 105 12 105 Salance to P & L Ajc.	15 - 65 - 11 9 2 36 17 -

## EXERCISE XI-No 28

De	bit Side Par	CKING CASES	ACCOUNT					
Jan 1 Jan Dec	To Wood and nails Purchases of materia Wages of workmen	1		11 £ 2 31 7 641	10 10	19 12 351 68 £431	3 4	5

Cr	edit Side	
Dec 31 , 31	By Materia's at 16se Transfer to Trad Accoun	19   15   15   19   17   17   18   18   19   19   19   19   19   19

### EXERCISE XI—No 29 NOMINAL LEDGER

Dr	SALES	LEDGER ADJUSTMENT	Account	Cr	_
. 1-31 S	lance b/ ales Peters	t s d d 193 2 4 3 9 1 7 Var 3 5899 10 1 1 -31	By Ba anor b/I Relums Cash D wo nta B its Rece ved Bad Debta M Brown Ba anor	250	328 6 - 7

Balance of Debtors

2 664 9 6 43 17 6 42 620 12 -

Balance as Account above {2 630 12s

Difference is £10

The important figures to check just would be-

(1) Opening Balances of Debtors b Land any creditors balances transferred (2) Total of subsidiary books related to debtors

(3) Journal transfers

The student should study carefully the plan of proof of this type of Lelber as explained and graphically set out on page 275 of Advanced Accounts

## EXERCISE XI-No 30

The best method of dealing with the value of Loose Tools and Plant from the print of view of degreeration is to regard them as stock in trade evaluating the stock of Loose Tools and Plant at end of year at cost or market price whichever is the lower

It may be advisable to view some of such stock if held for a long period as of no value. Generally however the at cost or market valuation lairly meets the case of this class of plant.

This I vereise may be adequately answerred by references to 4themered 1ccounts EXERCISE XII- No 1

ů	Amount.	3	795 T			- 191012	
PROPERTY OF AMERICA ACCOUNT		Dec 31 By Interest on Capital	" 31 " Profit and Loss	_			_
S.NOSJ at anotal services	Anos 10t Amount	8 8 8 250 s d	1 300	101101		1000	
EXERCISE XII No 2	Dr	1.	July 1 To Crain	Dec 1	31 Interest ansferred to	capital second	

## EXERCISE XII-No 3

## JOURNAL

19 Jan 1	Goodwill To Bad Debts Reserve (5% of £560) C's Capital Account	£ 560 310	5	đ -	£ 28 842	s d
	For assets brought ir by C	€870	7		£870	7-
» 1	Coal Trucks Carts Plant Horses and Harness Goodwill To Bad Debts Res (71% of £3 720) A & Capital Account B For NET gain to A and B ou the re valuation of their assets	70 74 455	11.1		279 160 160	

( D+	SIDE)	CASH	POOK
$\{D\}$	SIDE!	CASH	DOOK

		Cash	Bank
19 jan 1	To Balance C5 Capital (\text{\text{\text{tount brought in to raise his}}} Capital from £842 to £1 000)	£18 5 d	1 166

## (Cr SIDE)

		Cas	ih	Ba	ık
19 Jan I	By As Capital (Amount withdrawn to reduce his Capital from £3 260 to £2 760) Balance c/d	£	s d	500 824	s d
		£18		£1 324	ᆣ

		#OBSS	3   8
	3 80	3,973 570 765 1,000	320
	# 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1	
	* 101	·	
1	824 824 4,280	8	l
1		Less Bad Debts Reserve Stock of Coal Goodwill Coal Trucks	
- 1		, 5	
- 1		y	50 50
h	£ .	ž	( E
ان	Asserts .	Lies Bad Debts Reserve Stock of Coal Goodwill Coal Trucks	Carts Plant, 1107 22.7
	7 2	S S	10
O M			
MINSERS A B & C b Sheel ist Januar	Cash Bank.	Less Bad De Stock of Coal Goodwill Coal Trucks	125
4 5			777
۳ -	- 11		
PSS	652 848	6,520	020 87
MISSRS A B & C BALANCE SHEEL 1ST JANUARY 19	4208	φ,	8
TYN	, a	1111-	
ž		888	
	3	22 760 2760 000 000	
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mtđ	1		
9	1 3 .	•	
2	1 5 . ,		
-	Liabitities,		
×	able L		
EXERCISE XII - No 3 (contd.)	Liabital Balls Payable Sundry Creditors		
KER.	stlls	9	
8	i Hen	296	

## JOURNAL

journin		_	_							
Gapital Accounts— Dickson Bell Peters To Profit and Loss Adjustment A/c Transfer of innorrect shares of profit as shown in the Profit and Loss Account	£ 980 735 490	s d	£ 2 205	2 6						
Profit and Loss Adjustment A/c To Capital Accounts— Dickson § share Bell § share Peters § share Respective shares of profit transferred	2 205		1 046 784 373	16						
	€4 410	==	£4 410	E						
LEDGER Dr Dickson's Capital Account										
Balance c/d 3 996 8 10 6	ance où sod Lo nent Acco	oes Adju	3 95 1 04 4 90 £3 91	46 6 56 6						
Dr BELL S CAPITAL ACCOUNT	T		c	*						
Balance c/d 2 989 16 8 1 2 3 724 16 8	lance offt and L ment Acco	eunt.	£3.7	40 - 84 16 24 16 89 16						
Dr I ETERS CAPITAL ACCOU	NT.		c	*						
			1	1.1						

L	)r I s	ETERS CAPITAL	/CC0071	C+	
	To Profit and Loss Ad ust ment Account Balance e/d	£ ; d 499 1 423 14 6 (£1 913 14 6	B) Balance Probt and Less Adjust ment Account  By Balance b/4	1 540 573 £1 913 £1 423	14

(6 425 Ċ 3,225 28,025 s PROTIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19, .. -|| By Trading Account Stock, 31st Dec MESSRS BLACK & WHITE ī (6,425 350 200 55 88888 3 000 16 450 28 025 655 188 (4 sh to each partner, 1 c £1,825) Flant (5% of £4 000) Dad Debts Res (5% of £13,100) Less Old Reserve Bal , NET Profit to Capital A/es Interest on Capital Accounts — Black, 5% of £5 000 White 5% of £2 000 Balance, Gross Profit c/d Manufacturing Wage's EXERCISE XII-No. 5-Rates and Taxes To Stock, 1st Jan Purchases 298 To Salaries Ď

::

MESSRS BLACK & WHITE HALANCE SHEET AS AT 31ST DECREBER 19

		1	1	ŀ				_
		-	,	,	=	p s 3	426	49
London Creek Itabilities	**	3	15 345		_		_	1
Lors on Meters	\$ 000	-1		_	Sundry Debtors	L = 001 E1		
Add Interest accused	225	-	_	_	Less Bad Debts Resurv	200	322 61	1
		1	5 225	Ť	_		2000	-
Cabital Accounts		-	_		Stock		2	
Mack	_	_		_	Plant	1 000		_
Balance 1st Tan	5 000	+	_		Less Depreciation	2007	3 800	4
Add Interest	250	+	_	_		007	-	_
Share of Profit	1 825	1	_	_	Fremum on Lease	200		_
		+			Less amount written on	002	000	
	7 075	+	_	_			200	
Less Drawings	250	-	-	_	Freehold Land and Buildings	_	8	_
		1	8 525	ī		_		
White	_	-	_	_				
Bylance 1st lan	2 000	-		_		_		_
oldd Interest	100	-				_		_
Share of Profit	1 825	_		_		_		_
		+	_	_	_	_		
	3 925	T	_	_			_	_
Less Drawings	350	1	_	_				_
		+	3 575	1	7	_		_
	_	_		Ļ			052.06	L
	_	7	029 08 7			•>	2000	1
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# MESSRS LION & UNICORN

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1	\$325 2.185	397	25 000 2 500	3,250	13,840 3 000 250	l ì		
-4				-			_	
BALANCE SHEET AS AT 31ST DECEMBER, 19.	Assets Cash in hand . at Bank	Sundry Debtors Less Bad Debts Reterve .	Stock Machinery and Plant Less Depreciation	Barges Less Depreciation	Land and Buildings	Advertising Suspense A/c		
3	- 0	8	u z					7
¥	1 6			÷				T
¥8				<u> </u>			0	0
HEEL	3 860			\$5 310			26 640	018 58 3
S		11	1	11	11	τ - 1		72
ũ	8	- 1 1	1	11	TIT	1		
BALA	7	59 400 2 970	62,370	7 060	2000	006 11		
		-:-	00	1	-	200		
			£2 810			(2,810	l	
	1							
			2			22		
	Liantities Sundry Creditors	R Lion Balance, 1st Jan Add Interest	Less Share of Loss	D Unicotal	Dalance, 1st Jan AAd Interest	Less Share of Loss Drawings		
	1 8	5	3	02				

EXERCISE XII-No 7
WILLIAU JAMES S DRAWINGS ACCOUNT
(Dr Side)

Date	Part culars	Viths	Interest	Amount
19 Mar 1 June 1 Sept 1 Dec 1	Cash interest	10 7 4 1	£ s d d 6 S 2 18 4 16 8 10	£ 80 5 d - 100 100 120 7 11 8

# LDWARD JONESS BRAWINGS ACCOUNT (Dr stdE)

Date	Particulars	Mths	Interest	Amount	
Apr 1 C J dv 1 Dcc 1	ipital (3% of 12 600 for ash	. mos ) 2 9 6 3 1	£ s d 13 4 117 6 18 9 6 3	50 75 75 75	4

## EXERCISE XII-No. 7 (contd)

	JOURNAI Closing Ent		Dr.	c	r.	
19 Dec. 31	Trading Account To Purchases	5,75	s d	£ 5,750	5	
., 31	Sales Stock, 31st Dec To Trading Account	6,020		8,498	1	
,, 31	Trading Account Interest on Partners' Drawings To Profit and Loss Account	2 748		2,777	5	
,, 31	Profit and Loss Account To Rents, Rates, Taxes, and Office and General Expens Horse Keep Discounts and Allowances	es .		187 125 95 45	1111	
	" Interest, Commission, and Charges " Printing Stationery, and A tising " Travelling Expenses " Salaries and Wages " Freight and Carriage	11		15 120 1,020 115	1111	
,, 31	Profit and Loss Account . To Gapual Accounts— W James, § share E Jones, § share	1,023	3 5 -	613 409	19	
., 31	W James s Capital Account To W James's Drawings Acco	ount 357	11 8	357	11	
., 31	E Jones's Capital Account To E Jones's Drawings Account	296	13 4	296	13	

# MESSES JAMES & JONES GENERAL STATEMENT OF ASSETS AND LIABILITIES

## EXERCISE XII-No 8

## IOURNAL

		JOURNAL						_	_
19 Mar 31	Capital Accounts X Y Z To Profit and	Lo₃s A/c (adjusted	)	£ 800 400 400	s	d	£	s	d
., 31	, 31 Profit and Loss Account (adjusted) To Interest on Capital Accounts  Z  1 820 1							_	
Dr		Capital Account	· ×	_	_	_	С	,	_
19 8far 31 ,, 31	Fo Profit and Loss A/e (adjusted) Balance e/d	\$ 000 - 1 19 19 19 19 19 19 19 19 19 19 19 19 1		rest it and djuste	d)	ss A/	3 00 11 69 3 00	0	d
Di	·	CAPITAL ACCOUNT	Y				c	7	
31ar 31	To Profit and Loss A/o (adjusted) Balance c/1	f = d = 19 Dec 31 Mar 31 Mar 31	Pro	rest St and djuste	(d)	ss A/	2 20 72 63	35	
D	,	CAPITAL ACCOUN	T Z				-		
Mar 31 ,, 31	To Profit and Loss A e (adjusted) But ince e, d	£1 165	Interpretation	erest At and adjuste	ed)	ss A	/c 3	_\	
		1 1 1 1 1 1 1 1 1 1	Dy 151.	ance t			_1'	"	_

## EXERCISE XII-No. 8 (contd)

Dr	PROFIT AND LOSS ACCOUNT (ADJUSTED)	£1
19	1 4 14 20 1	1 6 5 4

. 19		£	1	2	Apt 31	By Capital Accounts-	£	s	d
Mar 31	To Int on Capital Ales- X (5% of [2,200)	JJ 110.	ļ.	) -J	uar at	A () of (1 600)	800		1 -
	Y (5% of (1 800)	90 20	-	Ы		Z (1 of £1 600)	400	١.	Ι:
,, 31	Z (5% of £400) Ba'ance to Cap Afet	20	ľ			T (I tr E-joon)	100		
	Y (690)	1	1	П	ł		)	١.	Į.
	2 7345			ш			1	П	
		1 389	٠	-	1			L	L.
		£1,600	-			1	€1,600	٠.	1
		-	-	-				-	-

## EXERCISE XII-No. 9

# MESSRS RUDD & BUTLER BALANCE SHEET AS AT 31ST DECEMBER 19 . [(a) FIXED METHOD]

Bills Pavable Sundry Creditors Outstanding Expenses Loan Account R Rudd Capital Accounts—	:	:		£	s	d	1,706 2,173 175 1 500	13 3 -	9 11
R Rudd B Butler  Current Accounts—				7,000 4 500	-	-	11 500	-	-
R Rudd Interest on Capital ,, on Loan Share of Profit				350 75 1,473	- 2	- 8			
Less Drawings .  B. Buller			-	1,893 1 600	2	8 -	298	2	8
Interest on Capital Share of Profit		:	į	225 1,156	13	10			
Less Drawings .			·	1,381 1,200	13	10	181	13	10
			į		1	£	17 534	16	10

## EXERCISE XII-No 9 (contd )

## MESSES RUDD & BUTLER

BALANCE SHEET AS AT 31ST DECEMBER 19

DALANCE SHEET AS	AI DIGI DO					
[(b) NOT FIXED METHOD]				_	-	
Bills Payable Sundry Creditors Outstanding Expenses Loan Account R Rudd Cap tal Account S—	£	s	đ	1 706 2 173 175 1 500	s 2 13 3	8 9 11
R Rudd Balance 1st Jan Add Interest on Loan Share of Profit Less Drawings	7 000 350 75 1 473 8 898 1 600	2	8	7 298	2	8
B Butler Balance Ist Jan Add Interest Share of Profit Less Drawings	4 500 225 1 156 £5 881 1 200	13	10			
and branches	ļ <del>-</del>	;─	-	4 681	13	10
	1		1 ±	17 534	16	10

## EXERCISE XII No 10

(1	or sine)	CASH BOOK	
	1	Bank	Bank
In	To D Dawson s Cap tal Account	ξ , d	

 $<sup>\</sup>lambda$  to —Separate cheques would be handed to  $\lambda$  Bassett and P. Palmer for their respective shares of Goodsill

## EXERCISE XII -No 11.

D	».	C/	SH	BOOK		Cr.	
		Вап	k	1	1	Bat	ik.
19	To F. Fletcher's Capital	2 \$100	s d	19	By Goodwill (Amount paid to D Putten by P Fletcher for share of Cocchell) Balance c/d	300 2,000	s d.
	To Balance bid	£2 300 (2,000	-			£2,800	F

# EXERCISE XII—No 12

		, , , , , , , , , , , , , , , , , , , ,						
Jan 18	1	Sundry Debtors	920 350	5		£ 46	8	ı.
		To Bad Debts Reserve (5% of £920) F Fur's Capital For assets brought in by F Fir				1,224	_	Ξ
,,	1	Plant and Tools Horses Carts Wagons, etc	1,270 134 35 1 050	=		1,270		-
		To Bad Debts Reserve(5% of (3 940)	)	11	J)	197	-	ı –
		A Dean's Capital Account B Gibson's Capital Account		1	I	511	Ī	Ξ
		For NET gain to Dean and Gibson on	£2 489			£2,489	-	-

EXERCISE XII-No 12 (contd.)		MOOG HEED	2004			Ö
D,	Cash	Bank			Cash	Bank
	1	-			b 8 1	t s d
19 To Balance Jan 1 F Fir s Capital A/c	33 - 4	1,406 = 926	19 Jan 1	By A Dean a Capital A/c (Amount withdrawn to reduce his Capital from £5 886 to £5 376)		510
to raise Capital from			-	Balance c/d	35	1 822
	\$63	£2 332			£30	£2 332
Jun 1 To Balance b/d	-   567	-   £1 822   -			=	
	MES	MESSRS DEAN GIBSON & FIR	GIBSON	A & FIR		
	LALANCE	Oues of	-		7 0	2 2
LIABILITIES Bills Payable	3,	657 8	Cash Bank	25000	1 822	1
Sundry Creditors Capital Accounts— A Dean	5 376			Sundry Debtor Iess Bad Debts Reserve	4 860	697
B Gibson I fir		12 902	Stock of	Stock of Tunber		2 720 1 400
			Furniture Horses Ca Plant and	Furniture Horses Carts and Wagons Plant and Tools		105 1 720 2 060
		14 479				f 14 479

EXERC	TOP	VIII	B.f.o.	

TOURNAL

	JOURNAL				
19 Jan 1	Goodwill Account To Difference in Books For transfer of balance	£ 8	s d	£	s d
	Reserve for Depreciation Depreciation Account To Plant and Uschinery For transfer of "Reserve for Depreciation," and a further depreciation of plant	609 200	10	808	-
	Goodwill Account To Depreciation For transfer of balance	200	11	200	-
	Depreciation Account To Patents Account For amount charged against depreciation to reduce value of patents	200	11	200	1-
	Goodwill Account To Depreciation For transfer of balance	200		200	1-
	OPENING ENTRIES				
19 Jan 1	Leasthold Factory Machinery and Plant Particle Sundry Debtors Stock Goodwill To Sundry Creditors , Peter White (vendor)	12 540 7 392 400 1 560 1 453 4 863		2 21S 5 000	s'd.
Dr	CASH_BOOK			C+	
19 Jus 1	Smith 12,000	Peter Whi (vendor Balance c,	ď	23 600 3 000 28 hon	-  -  -

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RCISE

EXERCISE XII No 13 (cortd.)	(cortd)	-	(ESS	RS S	E	Ma :	MESSRS SMITH BROWN & ROBINSON			1	-	1
			BALA	ACE SE	EET	2	BALANCE SHEET AS AL 191 J.			-	- 0	~
	=	-	-	,	٠,	,	Assats	5	300	08	_	1
901000000000000000000000000000000000000	,	9	р	7	,	, 1	Bank	_	1.5		_	,
TAT LEATER	_	_	-	2 2 10			Sundry Debtors	_	-	1 458	-	ı
undry Cleanife			_			_	Stock	_	4.8	68	_	,
aprila teromina	12 000	ı	ı				Goodwill	_	7	00	-	ı
Denim	10 000	_	_			_	Patents	_	7.3	92	-	1
Dolunson	000 9	ī	_	000 60	Τ		Machinery and Plant	_	12.5	40	-	ı
		-	Ì	-			Leasehold Factory	_		1	t	Į
		_	_		١	1	_	_	7 31 218	18	-	
	_	_	_	21 218			_	_	1	ł	t	ļ
	_		*		1	1		1		l	١	١
		١	١									

N N	EXERCISE XII-No 14	P CREW (Deceased)	(oa
9	Jane 30 To Drawings June 30	7 955 16 June 30 7 955 16 June 30 30 30 30	tan 1 By Balance (5%) June 30 Share of Profit 30 Share of Polic 30 Share of Good
-		78 675 16	
		June 30	June 30 By Balance b/d

Interest (5% of £3 000 for 6 mos.) Share of Profit (‡ of £' of £2 024) Share of Policy (Share of Goodwil

 $\frac{1}{2}$  of [L2 073 + L2 458 + L2 024 + L930 (3 years insurance premiums) -- 3]  $\times$  2 Not -The value of Goodwill is arrived at by method as below-

EXERO	P CREW (DECRASED) TOAN ACCOUNT	er Il e lele
19 Year 1	To Cath () vr. a resident   f   f   d   Year 1   By Balance   G months)   Raisone c/d   F   F   F   F   F   F   F   F   F	7 955 16 198 17 11 £8 154 13 11
Year 2	To Cath 2000 Year 2 By Balance b(d year) Balance c 3 5,512 8 7 [7 512 4 7]	7,154 13 11 857 14 6 £7,512 6 7
Year 3	2 000 Year \$ By Balance b d	5,512 8 7 275 12 8 £5,788 1
Year 4	2000 - Lear 4 By Balance b d	3,758 1 159 5 1 £3 977 9 1
Lear >	Year 5 By Balance b/d	1 677 9 1 98 17 5 (2 078 5 6
Year t	on 2 10 hear 6 By Batance bid	78 5 6 3 18 4 £90 2 10
	250 273	

EXERCI	EXERCISE XII-No 16 P	PORTUR IN AC	COUNT CT	TRRENT	P PORTUR IN ACCOUNT CURRENT WITH E HELM			
Date	Particulars	Amount Days	Pro	Date	Particulars	Amount	Drys	Pro
Mar May June Dec 31	rr 1 South Creditors (4 of /1.136) no 1 1 11 11 11 11 11 11 11 11 11 11 11 1	550 3 405 494 = 244 670 = 213 701 1	167 750 120 536 138 450 90 750 190 150	Jan 1 Sept 1 Dec 31	By Cash († of £1 525) Funnt re (* of £310) Goodwall Sundry Debtors (* of £4400) Balance of Interest	625 1760 26 1 760	364 364 121	222 040 45 136 227 500 212 960
Dec 31	To Cash	701 1 -	(707 636	Dec 31	By Bulance b/d	701 1		959 2027

EXERCISE XII—No	15 (contd)	
Dr. PROFIT	AND LOSS ADJUSTMENT ACCOUNT	Cr
19 To Post Polymer	£ 2 £ 19	£ E

19 Jan 1	To Pod Dobus house	€ 2 € 19	By Discount on Creditors	£		ŀ
).as	To Bad Debts (2008) "Furniture (2004)	1 281711	(GAIN)  Capital 4-counts—	30	-	-
		1 111	Porter, ) of loss Helm, of loss	110	-	} <u>:</u>
		E0	1	£5:40	-	Ξ

ADJUSTED B	LANCE SHI	EET AS AT IST JA	VUARY.	, 19 .		_
LIABILITIES Sundry Creditors Capital Accounts— E. Helm P. Porter	1 235 = d 3 000 = - 2 000 = - (6 235 = -	ASSETS Gash Sundry Debtors Furniture		1,525 4 400 310 46 235	s d	

## EXERCISE XII-No 17

## PROFIT AND LOSS ACCOUNT

I	),	FOR THE 1	EAR ENDED 319	T DECEMBER, 19	Cr	
	, lat	ading Acrount ordi on Caphala— Roston (3°, 04 £3,750) Teals (3°, 04 £750)	3 570 5 4 187 10 - 37 10	By Capual Actionits— R. Rostron (3 there of 1921) T. Teale (3 there of 1928)	1 036 249	

D	7 Cari	TAL ACCOUNT—R ROSTRON	C+
19 Dec. 51 31	To Drawings Profit and Less (Share of low) Balance C/d	f 600 s 4 19 Jan 2 B <sub>1</sub> Balance Dec. 31 Laterest	3,7-0 = 4
•		(3 937 14 -	£3 937 10 -

## EXERCISE XII-No 19

## CASH BOOK (CREDIT SIDE)

19. Jan 1	By Balance (Hank Over ,, Balance c/d	draft	' :	:	:		£ 6,000 = 2
		(Ден	r Sid	E)			
19 Jan 1	To Capital Accounts— A B		:	:	:	:	£ 3 d
19 Jan 1	To Balance b/d		·	,			£7,000

B will hand A a cheque for his share of the point, i.e. his share of the Goodwill of the business.

## EXERCISE XII-No 20

	 JOURNA
19	

Apr 25	Goodwiff Account To Capital Accounts— M Mason B Box For amount of Goodwill ered led to M Mason and B Box	4 250	,	3 500 750	-	=
,, 23	Capital Accounts—  If Mason 45% of 46,500),  Box (5% of 45,750)  To Bad Debts Reserve  For debting Capital Accounts their respective amounts of Bad Debts Reserve	325 287	10	612	10	-
25	Profit and Loss Account To M Mason's Capital Account Transfer of Balance	1 650	1-	1,650	~	-
	Transfer of Batance	£6 512	10' -	LE 512	10	_

## EXERCISE XII -No 20 (contd )

## MESSRS MASON & BOX

DEL	20010	MXZ.	 	DOM	
	Corner		 25.	Annie	

Liabilities Creditors Capital Accounts  M Mason B Box	•	s d	5 145 27 43) 5 962	Н	Assars Cash Bunk Debtors Less Bad Debts Res. Stocks	175 3 850 12 °50 612	-	d	£ 4 025	a -
			38 537	10 -	Goodw II Bu Id ngs			£	8 625 4 2×0 10 000 38 537	

## EXERCISE XII -- No 21

A s share of profit =  $\frac{45}{5}$  of £2 520 =  $\frac{128000}{4}$ 

## EXERCISE XII-No 22

W Winder pays /2 205 for a 3 share of 2 years purchase price of the average of such profits

The value of the profits =  $\frac{\ell 2.205 \times 7}{3 \times 2}$  =  $\ell 2.572/10\ell$ 

S. Simpson's Capital in the new partnership is arrived at as under—

for £2 205 (sum paid by W. Winder for share of profits) i.e. £1 102/10/-,
deducted from £3 795 (equivalent of W. Winder's Capital) + 71 897/10/
[§ of £3 795] = £5 692/10/-

\$ Simpson's Capital before the NEW partnership was equal to £0,692/10/~, let £4.590

Dr

19 . To Interest " Goodw II (NET PROFIL)

318	KEY	TO ADVANCED ACCOUNTS	
EXERC Dr	ISE XII—No 23. BUSIN	NESS PURCHASE ACCOUNT	Cr.
Year 1	To Cas. Balance c/d	1 000 s d vear 1 By X leterest	7 000 3s1 (7,371
Year 2	To Cash Balance cid	1 000 1 - Year 2 By Balance b/d Interest	6,371 318 11 66 689 11 -
Year 3	To Cash Balance c d	1 009 7 Year 3 By Balance bid Inveres:	7 689 11 284 9 7 (5 974 - 7
Sear 4	To Cash Balance old	1,900 1 5 Year 4 By Balance b d Interest (5 222 14 8	248 14 1 (5, 222 14 8 4 222 14 8
†ew >	To Carb , Balance c/d	1 000 - Year > By Salance bid faterest  (4 433 17 5  Year 6 By Balance bid	211 2 9 £4 433 17 5 3 433 17 3
	Dr	GOODWILL ACCOUNT	Cr L.L.
Aut.	To X +	Year   By Profit and Loss Balance c/d	349 la 1600 5
Year	2 To Balance bid	1600 5 Year 2 By Profit and Less Dalance eld	1,242 7 (1 6-0 5
Year	3 To Balance b/d .	1 242 7 9 Year 3 By Profit and Loss Balance c)d	441 7 801 - (1 242 7
Year	4 To Balance bid .	801 2 Yew 2 Br front and Low Balance t/d	238 3 (801 -
Year	fo Balance b d	1238 3 8 Year > By Profit and Loss	1-2-1-1

PROFIT AND LOSS ACCOUNT

(1ST YEAR)

By Balance

C,

£1,250

(2ND YEAR)

# EXERCISE XII—No 23 (contd) PROFIT AND LOSS ACCC JNT

 $D_7$ 

D   To Interest	Di		(ZID IZAK)		C/
Dr	19	Goodw II Baiance	318 11 -1 407 17 3 1 223 11 9	By Balence	
Dr	D	,	(3RD YEAR)		Cr
To interest	19	Goodwill Bia on	231 9 7 441 7 7 1 4 2 10	By Balance	
Dr   (51 h \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	D	y	(4TH YEAR)		Cr
19 To faterest (21) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	19	Goodwii	243 14 1 16 6 16 8 9 5	By Balance	
To Certail Act and Large Hain a Hain and Large Hain a Hain	I	)r	(STH TEAR)		Cr
PROFIT AND LOSS ACCOUNT	19	Goodw B Bul noe	211 2 9 238 3 8 1 615 13 7	By Balance	2 063
To Cortain dex mis—    Cortain dex mis—		PR	OFIT AND LOSS		
To Cartel Act ords   1500   15		Dr FOR THE	VEAR ENDED 31ST	DECEMBER 19	Cr
	3	ox # tuen 2	815 600 300	alinoe	£1 760

## EXERCISE XII-No 25

EACKCISE AII-NO 45	
PROFIT AND LOSS ACCOUNT	
To Interest due to C Carry Land Balance New Procts to Care A Land C Carry Light C Carr	2,760 -
EXERCISE XII-No 26	
PROFIT AND LOSS ACCOUNT  Dr FOR THE YEAR ENDED 31ST DECEMBER 19	Cr
To Interest on Capital Accounts—    To Interest on Capital Accounts—   Latt (5%, of (3 500)   178   -     Cappet 6%, of (3 500)   178   -     Bolance (8%, of (4, 170)   87   -     Bolance (8%, of (4, 170)   87   1800   -	2 000
(20.0)	[2 0:0] -
To Capital Accounts	1 682   -
Capter   Ord   of to 1 to 000   Soo   Capter   Ord   of to 1 to 000   Soo   Capter   Ord   of to 1 to 000   Soo   Capter   Ord   of to 1 to 000   Ord   or	£1 662 -
Dr CAPITAL ACCOUNT, HART	Cr
19	3 500 = 173 173 15 730 15 (4 595 13 3 545 13
Dr CAPITAL ACCOUNT CAPPER	C> .
19   Dec 31   To Drawnate     2   2   2   3   By Salaree	2 520 5 d 2 520 5 300 5 520 13 4
The M By Edition 54	2 816 13, 4

EXERCISE	XII-No	z6 (corid)
----------	--------	------------

Dr	CAPITAL ACCOUNT BOWAR	Cr
19 Dec 31 Balance c d	19   19   19   19   19   19   19   19	1 740 87 250 4°0 13 4 2 047 13 4

## EXERCISE XII-No 27

STATEMENT OF ADJUSTED PROFITS

	Ì	1 EARS		
	Ist	2nd	3rd	TOTAL
Profits for <sup>2</sup> nd and <sup>3</sup> rd years Add Interest recoverable from Flynn Salary recoverable from Flynn	£ 40 100 £140	2 749 40 100	3 505 40 100 £3 645	6 254 120 300 £6 674
Less Loss of 1st sear	-		-	560
Total distributal le Profits				£6 114

	Dr CAPI	T1L	ACCC	UNT	T TLYNN	Cr		
19	To Profit and Loss A e (Sur harge of a ms pad n excess of agreed NEW pos sn) Balance c d	€ 1°0 4 599	5 4	19	By Cash (Loan transferred) Profit and Loss A c () sha e of adjusted profits)	4 000 1 019		đ
		£5 019			ł	£5 019	E	E
		II.	1 1 1	i	By Balance b d	4 599	1	۱-

A of a —TI e I artners Cap tal Accounts have been cred ted with profits on the bases of the adjusted profits. If it is inferred that B Barile and W West have withdrawn their respective dares of past years profits their the credit balance of 7599 due to F 11 jun under til e new scheme must be borne by B Barile and W West in the ratio

of their capitals as under-B Bartle I ie £359 8s 0d W West I ie £239 12s 0d

# EXERCISE XII.-No. 27 (contd.) Dr. CAPITAL ACCOUNT, B BARTLE

19	To Batanos e/d	£ 150.7	By Ba ance Profit and Loss A/c (Share of ad usted profits)	12 000 3,057
r	r CA	PITAL ACCOUNT.	W WEST	Cr
19	To Balance o/d	10 033 - 1	By Salance  Per fit and Loss Ale  (Share of adjusted profits)	£ 000 2 038 -

## EXERCISE XII-No 2

D	CAP	ITAL	A	cc	OUNT	Brown	Cr
19 Dec 31	To Assignmento— (a) kldest Son § (b) Other Children (f of § to each) (1) (2) (3) (4) Balance ofd	4 060 1 000 1 000 1 000 2 000			19 Mar 31 Sept 30 30	By Balance Shate of Profit Carb	9 000 5 d 673 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7

## See Advanced Accounts page 95 (under Limited Partnership)

## EXERCISE XII-No 20

The adjustments necessary in the accounts in order to avoid loss to M and N

and a gain to K are as follows—

(1) Create a Goodwill Account and credit M and N with their respective shares, and

(2) Provide for interest on the partners capital

EXERCISE XII-	No 30	JOURNAL
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19	250 730	s d	£ 180 500 300 £980	s d
----	------------	-----	--------------------------------	-----

1 146 10

£4 912

### EXERCISE XII-No 30 (contd.) CASH BOOK Cr D 19 600 £70 To B lance v A < Cap tal Account Jan C s Cap tal Account 1 600 (Amount withdrawn) Balance c d 1 330 £1 600 600 MESSRS A B & C BALANCE SHEET AS AT 1ST JAN ARY 19 Assets LIAB L TIES 1 330 Bank Cred tors and Bil s yable Cap al A to a 3 000 Debtors and B h R or vab e 2 000 1 600 1 670 2 2a0 3 000 A Plant 2 000 Bu Mings 1 000 6 000 9 000 **2000 PT** EXERCISE XIII-No 1 Dr RF ILIZATION ACCOUNT Cr 4 792 Dec 31 To Sundry A sets Cash (Expenses) 4 370 Dec 31 By Cash 31 67 D scounts Rece ved űi Balance (P of ) to Cap al Account B ck | (1844 Wh to | (1864 973 (4 830 £4 830 Dr CASH BOOK Cr € 412 Dec 31 To Bal nee Dec, 31 By S ndry Cred tors Real talson 4 c . 31 179 31 Real ration (Laps) В7 3 230 31 B B ack W White

Note - The amounts paid out to B Black and W White are equal to their original Capita's plus their respe tive shares of Profit on Realization

(4917

## EXERCISE XIII-No 2

19	To Sundry Assets , Cash (Expenses)	5 500 5 2 19 5 2 30	By Cash  Discounts Received  Bilance (10%) to Cavital Accounts  Eleck ( 2735  White 2 2975	750
L	,	CASH BOOK		Cr.
19	To Balance « Realization A/c .	400 - 19 4890	By Creditors Reshtation (Fisps.) Capital Acto Black White	1 700 230 2 825

Note -- The amounts paid out to Blick and White are equal to their original Capital less their respective shares of Loss on Realization.

D	r P	ROFIT AND LOSS A	CCOUNT		C7
19 dec 33	To Capital Accounts— Black & th to White, & there	£ 5 t 19 Dec 31	By Balance	•	1 000 "-
19 Nec 31	To Capital Accounts— Black & share White, & share	(1 200   10	By Balance	•	(1 000 -
19 lec 31	To Capital Acti unts- Black   share Whate,   share	673 Dec 31	B/ Balar ce		1,350 £1 350 -

D	BLACK'S BOOKS GOODWILL ACCOUNT	Cr
Dec   31	To W White a Capital (For purchase of W White's Share of Goodwan)	

## EXERCISE XIII-No 3 (contd.)

D		CAPITAL ACCOU BLACK_		Cr		_
19 Dec 31 ,, 31	To Drawings Balance c/d	19 Jan 1 Dec 31	B) Balance Profit and Loss	3 000 500	5	d -
19 Dec 31 31	To Drawings Balance old	3 100 - Dec 3t	By Batance b/d Profit and Loss	3 000 600 73 800	,	=
Dec 31 , 31	To Drawings Balance o/d	19 1 275 — Jun Dec 31	By Balance h/1 Profit and Loss	3 100 675	-	-
		Dec 31	By Eulance b/d (at end of 3 years)	3 275	-	_

\		/3775	Dec 31	By Exlance b/d (at end of 3 years)	€3 775 3 275	-
D		Wı	IITE_		Cr	_
19 Drc 11 31	To Drawn ex Balance c/d	8.00 = d 38:00 =	Jan 1 Dec 31	B) Britance Profit and Loss	4 000	
Drc 31	To Drawnes B in or erd	74 500 1 800 -	19 Jan 1 Dec 31	By Balance b/d Profit and Loss	£4 500 3 8 √0 600 £4 4 ∞0	-   -
19 Dec 11 31	To Drawnet Balance of	670 3 825	In In I Dec 31	B Balance b/d Profit and Loss	3 800 675	
19 Dec 11	To Bunnee (4 mu il due ani payable to White	5 625	19 Dic, 31	By Balance b d [ ten l of 3 years) Black (White schare of Goodwall taken	1	
		£5 625	1	over)	1 800 £5 625	4

## EXERCISE XIII~No 4

- (4) I ach partner will receive CASH equal to the amount of his CAPITAL ACCOUNT is per Balance Sheet
  - (B) As A and an additional sum to each partner as follows— Robinson £75 (being fg) )
    - Robinson (75 (being 13))
      Larkin (60 (being 13)) of (180 (Profit on Realization)
      Sparrow (45 (being 13))
- (C) Fuch purtner will receive a sum equal to Cap tal as per Balance Sheet 1755 £1,010 135 4d., the Loss on Realization being £3 122

326	KEY TO ADVANCED ACCOUNTS		
EXER	REALIZATION ACCOUNT	Cr	
19	To Soundry Asserts  [30,50] = 4   19   19   19   19   19   19   19	7,230	3 4
	CASH BOOK	Cr	
19	To Reshitation Account 7,200   1   19   By Sundry Conductor Assessment Figure 1   19   19   19   19   19   19   19	4,250 1,500 196 1,284 77 230	
D	CAPITAL ACCOUNT HAWKER	Cr	_
19	To Resination Account 2 4 6 9 9 19 19 19 19 19 19 19 19 19 19 19 19	3,700 23 700	1
D	HAWKER (ADVANCE)	Cr	_
19	To Cash , /1 500 s d 19 By Cash .	£1 ±00	#
D	CAPITAL ACCOUNT HAIGH	Cr	
19	To Share of Loss on 684 - By By Bakaser of Losa A/c	€604 54 54	
Dr HAIGH (ADVANCE)			
19	To Trusfer from Capital	£2:0	-

#### EXERCISE XIII-No 6

L	),	REALIZATION ACCOUNT	Cr
19	To Sund v Assets Cash (Faperses)	By Cath Ba and ( 19)  110  By Cath Ba and ( 19)  Re c s 2  Haw cy 3	

D	r	C	ASH	BOOK		Cr
19	To Balanco Rea zation Account	2090 8 59 20 99	5 d	19	By Sundry Cred 1 is Rea 221 on (Exps) Cabilet Accounts— Rogers Haw cy	7 5.0 1 0 8 119 5 246

Note —Lach partner receives a Cash payment equal to original Capital less share of Lozs on Realization

#### EXERCISE XIII-No 7

	)r	CASH BOO	к	C7	
19	To Realiz sion Aje	16 144 5 d 19	By Cred tors Loan Account Capt al Account Lyton 4,58 Price 4,30 We terby 354 31	£ 230 650 3 6 9 244 £ 161 4	4

### EXERCISE XIII\_No 8

D>	REAL	NOTTASIL	ACCOUNT	Cr
To Sun's Cash	) Asset (happenses)	f 40 s d 19 85	By Cash Bal nor ( o ) to Cap til Accounts Wood f Harn co f Fatty f	-!! [[

#### EXERCISE XIII -No 8 (contd)

1	Or .	CASH BOOK	i	Cr
19	To Balance " Realization Acco	17 11 11 11 11 11 11 11 11 11 11 11 11 1	By Creditors  "Restriction 4/c "Capital Accupit— Wood Harrison Ratty	2,755 85 85 2,384
	CISE XIII-No	9 REALIZATION ACC	COUNT	Cr
19	To Sundry Assets	4,130 1 19	By Cash , Capital Accounter— Partridge \$41600 Paterson, \$4, 810	2,020 - 4 2,020 2,430
	), C1	PITAL ACCOUNT E	ARTRIDGE	Cr
19	To Resizat on Share of loss) Balance of	1 620 s d 19	By Balance	4 000 -
			BA Billing and	1 2,000
E	Or CA	PITAL ACCOUNT, I (Overdrawn)	PATERSON	Gr
19	To Paulization (Share of loss)	£ 5 10 19	By Edance ,, Balance c/d .	£ 5 £ 450

## EXERCISE XIII-No 10

D	,	C	ASH	воок		Cr		
		But	ık			Bar	nk	_
19	To Balance (Nrr unpoint on Sale of Business)	13 690 13 660	s d	19	By Coeditors Loan (Finct Lry s) Capt al Accounts— Frehley Withams	4 520 1 500 5 710 1 930 13 660	Ŀ	

Note —The NET sum received on sale of the business represented a GAIN of £390 to the difference between £13 660 and £13 270 (value of business sold). The profit on Realization is shared by the partners as follows—

Finchley receives \$ or 1260

		H1	lhams receiv	es do	130	
The	above sum	s nould be	s teceined 10	addst	non to original cap	pitals
EXE	RCISE XIII		ON REALI	ZATI	ON ACCOUNT	Cr
19	1 8 1	Acro into- chare share share	f 240 150 104 - (52)	19	By Ralance	£ d - 4 - 4 -
_	Dr		CASH J	400E		Cr
19	To Ba and		11 590 ~	19	By Cred tor Cep tal Accounts— X X Y X	£ t d 6000 5000
	Dr	c	APITAL AC	COUN	хтх	Cr
19	To Z s Cap	ntal bare)	£ 5 d 6 090 6 090	19	By Balance Profit on Realizatio (Share of profit)	£6 260 -

	Dr	CAPITAL ACCOU	NT, Y	Cr.
19	To Z's Capatal . (% share)	5006 19	By Balance Profit on Realizati (Share of profit)	5,000 = - 5,156 = -
	D <sub>7</sub>	CAPITAL ACCOU		C+
19	To Batance	434 5 4 19	By Profit on Reshratu (Share of profit) Copular Accounts— X, & share £18 Y, £1 share £18	7 11
			L	
_				
	RCISE XIII—No	12. REALIZATION AC	COUNT	Cr.
			By Cash Baltinon (Loss) by Deficiency A/or- X, \$ f.57/ Y, \$ f.56/ Z, \$ £100	13 72.
19	Dr	REALIZATION AC	By Cash (Loss) b. Estimon (Loss) b. Estimon (Loss) b. Cash (Loss)	13720

#### EXERCISE XIII-No 12 (contd)

A bears ; and B ...

D	7	CASH BOOK	ξ	Cr
19	To Balance Real zation A/c Z (amount rece ved from its estate) Defear cy- 4 5360 Y £380	\$\begin{align*} \frac{1}{42} & \sigma & \text{19} \\ 13.72 & \text{25} & \text{25} \\ 90 & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \text{25} \\ \text{25} & \text{25} & \tex	By Bills Payable Bank Ovendraft Sundry Crections Realth-ration (Exps.) Capital Acco (6.33 Y 4 1220	603 2 900 1 830 187 -

Notes -(1) A receives CASH as above 1e #6 330 but as this amount includes his contribution on Deficiency he receives only 45 760 Y receives £4 220 which as in the case of X includes his contribution on

Deficiency therefore he receives only (3 840

(2) Zs (overdrawn) account is equal to £350 + £190 (his share of Deficiency) less £90 £450 which sum is borne by X and Y in the ratio of their Capitals ie X bears , £270 Y bears , £180

KER	CISE XIII-No	13		
		CAPITAL ACCO	UNTS	
D	r	A		Cr
,	To C s Capital (§ share) Cash	f 38 17 9 19 5 611 2 3	By Balance Readzation (§ share of probl)	5 000 5 750 5
L	)r	В		Cr
9	To C s Cap tal (# share) Cash	111 2 3 19 4 388 17 9 (4 100 =	By Balance Resilization (\$ share of profit)	4 500 s
1	D <sub>r</sub>	C (Overdraw)	1)	Cr
IJ	To Balance	f 500 s d 19	By Realization (4 share of profit) Lapital Accours— A 1 share B \$ share	£ 250 = 138 1/ 111 2

Notes —(1) The Profit on Realization is £1 500 based on the difference between Purchase Price of /10 000 + Liab littles of £370 and total Assets /8 870 (2) The balance of Realization A/c is shared by partners in the same ratio as profits (3) C s NET deficiency is borne by A and B in the ratio of their Capitals 10

_	Dr	DEFICIENCY AC	COUNT	Cr
19	To Balance , .	£ 700 19	By Cash— Hawler Joyorlyn , Balance transferrer to Capital A c— Temple \$\frac{2}{2}\$	H I
	Dr	CASH BOO	к	Cr
19	To Balance Defi truty (bugn brough b Hawker do Joycelyn	\$ 10 200 1 21 400	By Capital Account— Hawker	( s. 1,400 -
	Dr C	APITAL ACCOUNT	Hawker	Cr
19	To Capital Account	f f d 19	By Balance	1,800 -

### EXERCISE XIII-No 15

The answer to this question is adequately dealt with at the end of Advanced Accounts

Company and a co

Di	REALIZATION ACCOUN	T Cr	
19	To Su day Assets, 7 00 s d 19 By C C B		5 0
D	DEFICIENCY ACCOUNT	Γ Cr	
19	To Realization Account \$\frac{f}{900} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		s (d
	CASH BOOK	Cr	_
19	Real sat on Account 6 300 Cap tal Account— Rob mion (For d vidend of bills in f f om h s	undry Cred to s coal tat on Account (Expenser) 400  aprilet Account 300  aprilet Account 100	↲
	Dr CAPITAL ACCOUNT BRO	own Cr	
19	To Cash 2 500 5 d 19 By t	Salance 2500	d
	Dr DRAWINGS ACCOUNT B	ROWN Cr	
13	To Rob mon s O/drawn	1 600 (1 000)	5 0

# EXERCISE XIII-No 16 (contd)

Dr		C	Cr.				
19	To Cash		£ s d	19	By Balance	 2 500	:

- 1	o, dr	AWINGS .	ACCOUN	T, Joves	Cr.
19	To Robuson's O/drava	162 10 337 10	19	By Balanos	 £300 -

Dr .		CAPIT		OUNT, drawn)	ROBINSON	Cr
19	To Balance , Deficiency	:	6 s d 500	19	By Cash Draws as Accounts Brown, 1220/16 3 Jones, 152/10/-	216 13 4 433 6 8

### EXERCISE XIII-No 17

D	rise XIII—No	17 REALIZATION AC	COUNT	Cr		
19	To Sundry Assets ,, (ash (Expenses)	18 282 -	By Cash Bulance [14m9] to Profit and Loss Afc	8 800		

	Dr PROI		TT A	T AND LOSS ACCOUNT					Çr			
19		To Realization Account (Loss on Realiza tign transferred)	9,982 (9 982	: -	4	19	By Sundry Credit — Gaptial Actor Morgan I Newell	(4788 (2,394	7,182 (9.932	-	d -	

EXERCIS	SE XIII-No 17	(contd)			
Dr		CASH BO	OOK		Cr
19 T	o Balance Realization A/e	900 z d 8600 - 69 x60 -	19	By Real zation (Exps ) Sundry Creditors	9 °00 -
Note - to each		cesse a divider	ad of	las 4d in the £,	$1e \frac{\cancel{1}9}{\cancel{1}200}$
$D_{r}$	CAH	PITAL ACCOU	١T	Morgan	Cr
19	o Profit and Love A/c (Share of loss)	4 765 2 d	19	By Balance Balance (due from Newell)	4 700 - 68 -
Dr	CAI	PITAL ACCOU	JNT.	Newell	Cr
19	To Profit and Loss Balance (due to Morgan)	7 59.1 1 4 63 63 12 462	i)	By Balance .	2 482 I
Dr		SUNDRY CR	ED[1	ors	Cr
19	To Cash Profit and Loss	9 200 2 800 4 12 005	19	By Bajance	12 000 -
D		SUNDRY D	EBT	ORS	C <sub>7</sub>
19	То Вајансе	4 082 5 4	19	By Realization A/c	4 D8° 5
D	,	STOCK AC	cou	NT	Cr
19	To Balance	4539 5 4	19	By Keslization Afc	4 320

	RCISE XIII—No. 17 (contd)	
	D, FIXTURES AND FITTIN	GS ACCOUNT C
19	To Balance	By Realization A/C 3 (80)
	Or GOODWILL ACC	OUNT Cr
19	To Salance   6,000 -	By Realization A'c. 6.501
	RCISE KIII—No 18 Dr REALIZATION AC	COUNT G.
19	To Sindry Assets Cash (Exprase) Cash (Exprase) Cash (Exprase) Used, (ESS Dawson, (ESS (10 > 0)	By Cash 10,000 to Received 40 1 - 40 1 - 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	CASH BOOK	Cr Cr
19	To Balance Account 1990 - 1	By Snadry Cred fors   580   4   4   6   6   6   6   6   6   6   6
	CAPITAL ACCOUNT	Water Cr
19	To Cass	By flabour Realization Account (Share of pools)
1	CAPITAL ACCOUNT,	Denson Cr
19	To Cash	By Balance (Saure of pro5t)

D	Cr			
19	To Cash Real zat on A (Disets trans	200mt 890 2 4 19	Ву Ваілцое	£ 900 -
Z	)r	SUNDRY DEB	rors	Cr
19	To Balance	1 900 - 4 19	By Realization Aje	1 900 3
ı	Ογ	STOCK ACCO	UNT	Cr
19	To Balance	5 000 s d	By Realization 4/0	5 000
_	D» FI	TURES AND FIT1	NGS ACCOUNT	Cr
19	To Balance	1 000 1	By Restization A/c	1 000
	D <sub>7</sub>	LEASE ACCO	UNT	Cr
19	To Balance	z 6000 s d 19	By Reshection A/c	2 000 s

#### EXERCISE XIII -No to

#### JOURNAL ENTRY

19 . Jan 1	Capital Accounts-		€ 400	ſ	đ	6	5	đ
	Johnson († of £1 200) Moore († of £1 200) Elhott († of £1,200)		300 300	٦	3			
	Graham († of £1 200)  To Capital Accounts—	- ;	200	~	-			
	Johnson (5% of £8,500)					425 275	-	-
	Johnson (5% of £8,500) Moore (5% of £5,500) Elhott (5% of £5,500) Graham (5% of £4,500)	-			1	275 235	=	Ξ
		1	£1 200		3	€1 200	3	-
				1			J	_

#### EXERCISE XIII-No 20

X's Capital = $£8000 + £3 \text{ of £1 300 (goodwill)}$ Y's Capital = $£5000 + ₹4 \text{ of £1 300 (goodwill)}$ Z's Capital = $£4600 - £1.500 \text{ (goodwill)}$	3 6 0	8 800 \$ 530 3,300
		£17 600

. The proportions in which profit will be shared are as under-

X will receive A share Y will receive A share Z will receive A share,

2
XIIINo
RCISE
XERCI

ţ	3	2 430	5633	7611	2258 2376 1881					(13848 [7]	
MESSRS FARMER & RIGHT	TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19	By S Ites Less Reburns It wards	Stock 31st Dec		Dy Traduct Account Discounts Reserve on Cre Litors (21% of £1 854)						
FARM	OUNT F	4	-,-	10	38.50	853	35 £		597 2811	121	
ESSRS	ss Acc	2 at 4 195	5030	7	282				0.01	1385	
Z	NAD L	989 \$	8		89	200		5 12 8	238 17		
XERCISE XIIINo 21	Dr TRADING AND PROFIT A	To Stock 1st Jan Durchars	Less Returns Outwar is Carriage M. Indectur : R. Wages	Datable Great Tonic Co.	to Salve es Trivellers etc Not Pares, and Taxes Builty la spense Suilty la spense	Decounts Allowed Loos (Spenses 200) Loos (Spenses 200) Loos (Markey 8% of £3 200)	Disco at Reverse on Debtors (4)% of £120 - £164\$ Debtors dion- line and Madanage £100, of 100 only	Majorial Accounta-	Brinne Ner Profit o Capital Actounts— I brinner, y si re R Right E share		

£11

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	1	30 10 92 ng	3 250	281 14 1	2 950				_
	ŀ								
				Discount Reserve 117/ 4/1					
	E	VSEEDS		Discount Reserve	nery .	Pire Insurance prepaid.			
	CMBFR,		Bills Receivable	regunt regunt	Stack Plant and Machinery Leve Depresalinh	nrance	Sugates Account		
	DIG to	Cash in hand	ills Rec	:: { ·	tock Tent di Les U	ire In	41 XX		
	÷	33	= 7		/-		<i></i>		73
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	BAIANCE SHERI AS AT MET DECEMBER, 19 .	2 4	121	- 07.9	2 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	420 10 0	3 780 184 2 88 17 2	4 207 17 120 10	
	BALANCK >		1954	- 070	2000	450 10 0	3 780 184 2 88 17	4 207 17 720 10	_
	BALANCK >		1 954	1 620	8 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1 8 1	420 10 0	3 780 189 1 88 2	1207 17	_
	BALANCE >		1954	1 620		420 10 0	· · · ·	4 207 720	
	BALANCK >	p s 3		1 4 620		420 100 0	· · · ·	4 207 720	
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	BALANCK >	יאוורווונצי ל צ ק		-	ift.		· · · ·	1207	
	BALANCK >	יאוורווונצי ל צ ק		-	ift.		· · · ·	1207	
	BALANCK >	יאוורווונצי ל צ ק		-	ift.		· · · ·	1207	
	BALANCK >	יאוורווונצי ל צ ק		-	ift.	Less Drawings 420 10 c	· · · ·	4 207 720	
	BALANCK >	ABILITUES.	Sindry Crelitors 18 secre	Hinte-	ift.		· · · ·	1207	

#### EXERCISE XIII-No 22

#### SMITH THOMPSON & CO

### TRADING ACCOUNT

Dr	FOR 1	HE	YEAR E	NDE	D 31ST DECEMB	ER 19	Cr	
To Slocks, 1st Jan Copper	12 008	s d	Ĺ	3 4	By Sales— Copper	£   \$   7	d £	s d
Ira Iran - Purchases-	875 3 626		15 910	s :	Tin Iron Pig Ison	9 476 3 87 753 11 76 942 8	211 617	
Copper Tin Iron	40 170 8 426 86 983	12 18 9		Н	Stacks 31st Dec Copper	22 111 14	211 617	107.3
Prg Iron		14 2	211 117 I 463	12	Tin Iron	617 18 6 513 4	29 242	17,
" Ball GrossProfit		Ш	12 368 /240 8ep	16	2		£240 860	-
	(f	( ( (	- 240 000	-	3	# 11	6240 000	-

#### SMITH THOMPSON & CO PROFIT AND LOSS ACCOUNT

Dr 7	OR THE YEAR E	NDED 31-T DECEMB	ER 19	Cr
to Loss on D security and the second of the	750 1300 1 1508 1 6 1 2,368	2-11		1

#### EXERCISE XIII-No. 22 (contd)

# SMITH, THOMPSON & CO BALANCE SHEET AS AT 31ST DECEMBER, 19...

Lisaturys Milland Ranking Co Bills Payable Sundry Levillers Cornellors Cornellors Cornellors Cornellors Cornellors Cornellors Cornellors Add Indirect Less Deswings Jos Thompson Bialance Ist Jan Add Interest Salary , Sh of Profit	17 808 1 618 4 12 000 - 600 - 500 - 1 558 1	4 2 64 6 784 6,028 6 6 2 2 17,189 5 14,228 6 14,228	2 6 7 10	Assisted Ass	and syable ebtors	22 115 617 6 513		1 23 2 11 2 1 7 618 4 15 7 618 4 15 7 618 4 15 7 618 4 15 7 618 4 15 7 618 4 15 7 618 6
EXERCISE XIII	-No 23							
Dr			CASI	H	1			Cr
Aug 31 To Balance Realizati Accoun	en le			19 lug 31 B	y Resistat penies Sundry C		9	( 1 d. 2 201 (2 240
$D_{7}$		SUNI	DRY L	EBTORS	2			Cr
19 Aug 31 To Ba ance	ь	/d 215	5 4	19 log 31 B	y Realizati	on A/0	9	215
Dr			Stor	к	3			Cr
19 Aug 31 To Balance	b	lg 800		19 lug 31 B	y Realizati	on A/s	9	860
Dr			Fixtu	K 85	4			Cr.
Aug 31 To Balance	b	1 900		19 31 By	y Rea tzats	≫ A/c	9	1900 5 4

/2 374

#### EXERCISE XIII-No 23 (contd) Cr Dr MOTOR VEHICLES 5 1 400 Aug 31 To Balance Aug 31 By Reabzation A/c Dr SUNDRY CREDITORS 6 Cr 13 3459 Aug 31 To Cash Aug 31 By Balance P & L on Realiza tron Account £3 459 73 459 Cr DrHARDY-CAPITAL ACCOUNT 708 Aug 31 To P & L on Realiza By Balance bid Ivor Cas tal A/c tion Ajc 8 36 €744 €744 8 Cr Dr IVOR-CAPITAL ACCOUNT 19 19 Aug 31 To P & L on Realiza g 31 By Balance t on A/c 372 Hardy-Cap ta A/o €408 £408 $D_{r}$ REALIZATION ACCOUNT 9 Cr 19 2 040 Aug 31 To Sundry Debtors Aug 31 By Cash RAN Balance to P & L 4 1 9001 on Realization Motor Vebicles 1.400 Account 10 2 374 Cash—Realiza tion Expenses (1.414)£4 414 Dy PROFIT AND LOSS ON REALIZATION ACCOUNT 10 C+ 1 258 Aug. 31 To Restization A c 2 374 Aug 31 By Study Creditors Capital Hardy Cupital Ivor 744 372

The divide digard to or ditors is £ 45 1-/8 to the £

€ 374

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ò	\$ \$400 400 400	- 1	J	-			
-			١	~	850	1 000	190
1	9 333 6	1	1	79		ac 20	
1		00		-		a 60	III
	By Angusti written off borne by partners as A delower—  C Cash	GOOWILL SHAWING NET AMOUNT GAINED OR LOST BY EACH PARTNER IN RESPECT OF GOOWILL			1 133	3 133	300
- 1	ž	80.00	P			1 2	
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	Amount wire follows A B B C C	Ę	ľ	1 "		1.	111
	2 3	Š	L	<u> </u>	٠ 2		2
GOODWILL ACCOUNT	1936 Dec 31	An a	1	-%.	4 000	8 916	65,239
L Ac	<sup>2</sup> Å	2	F		-	_	
MIL		ő	١			•	
900	2 000 2 000 2 000 2 000 2 000	Q II N	1		٠	•	
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		V V	1				Twill y C
	2	2	1		sooks	arth a	Good less t
	E .	2	1		n to	dwill Good	share of amount written off Goodwill clieby A and B and lose by C
	y par	200			ought	9 6	and J
4	ke pr	U E	1		9 11	sole	try A
2	Acco Acco		N I		Daoda Daoda	- i	o to a
1	apital apital lows		1		o po po	iare of profit on sale of Goodwill	Less crain paint for an arriver off Goodwill Respective, anny to A and B and bose by C.
EXERCISE XIII-No 24.	To A Cipali Account To Popula Account To Profit on sale taken by partnern so follow-y- B C	Ι.			Cash rece ved from D. Amount of Goods ill brought into books	Share of profit on sale of Goodwill	Resp
CISE	7 2 St.	1					
KER.	1928 1936 1936 1936			192	1928 Ian	å	
ũ	1 = 0	314	,				

KEY TO ADVANCED ACCOUNTS	345
EXERCISE XIII—No 25 (1) Expenses for the year (2) Net Profit before charging Partners Interest (3) Balance of—	£1 869 £1 639
Current Account X Current Account Y	£230 £74 £304
Proof { Assets   Liab lities (as per Question)	£6 651 £6 347
Amount as above	€304
EXERCISE XIII—No 26 PROFIT AND LOSS ACCOUNT	
Dr FOR HALF YEAR ENDED 30YH JUNE 19	Cr
To I to at one Cop to A - I (So, of 13 50 to 6 mon) D Green (18 to	1 2 5 6 5 16 3 £1 ° 83 1 3
CAPITAL ACCOUNTS	
T FISHER (CREDIT SIDE) D GREEN (CREDIT	SIDE)
19   20   20   20   20   20   20   20   2	3 65.0 s d. 3 69.1 3 9.1 3 9.1 3 9.1 4 101 8 9 2.50 £3 8.1 8 9
Dr H GRAY (Overdrawn)	Cr
1   To B   1   To B   1   To B   2	251 17 6 2612 1 3
P 11 II 1	<u>"L_</u>

12-(B 1405)

EXERCISE XIII-No 27.

#### EXERCISE XIII-No 29

L	)r	CASH	BOOK		Cr	
		Bank			Ba	nk
19	To M Marsden's Capital B Bla it in SCap (for greature par for Gooden's P Pinner SCap (a) premuum pad for Goodenil)  To Balance b/d	60 5 4 160 - 80 - 71 800	19	By B. Birckburn's Cap (Share of Goodwill withdrawn) P. Prent's Cap to I (Share of Goodwill withdrawn) Balance c/d	£ 160 80 1 560 £1 800	s d

#### EXERCISE XIII-No 30

# CASH BOOK (DESIT SIDE)

			Bank
To R Red & Capital G. Gardner's Capital (For § share of prem a'ri) (Comple 3 & Capital (For § share of premium)	:	:	\$\frac{\psi}{1560} & \frac{\psi}{-160} & \frac



# EXERCISE XIV-No 2 HEAD OFFICE BOOKS

D,

### BRANCH ACCOUNT

_				
19 Jap 1 Dec. 31 31 31 31 31 31 31 31	To Balance  " Goods from H O  " Cash (Wages)  " (Rea!)  " Cash (Reate), Taxes  and insurance)  " Cash (Sundry Exps.)  " Profit and Loss Arc  (Profit)	\$16 10 2 Dec 31 \$508 15 4 31 31 302 15 8 31 140 10 6 6 111 9 81 4 3 1735 5 1	By Cash Returns to H O Stock gd	6 871 16 8 42 10 9 785 15 4
	T. C. S. S.		)	

CXERCISE D*	EXERCISE XIV- No 3 (A)		HEAD OFFICE BOOKS Branch Account	AD OFFICE BOOKS Branch Account			ů	1
		Invoice				Invoice		
Jan - Dec 31	19 To Stock Goods from H O Goods from H O Dec 31 , Bal GROSS PROFIT	6 841 19 4 6 841 19 4 6 841 19 6 7 762 16 -	690 12 6 590 12 6 1 704 15 2	Jan Dec Jan Dec Jec 31	19 Jan Dec By Cash Dec 31 "Bal (apparent Loss)	6 855 8 8 8 8 8 9 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	6 855 8 8 6 871 16 8 8 671 15 16 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	2 8 E
Dec 31	Dre 31 To Stocks b/d	895 115 4	895 15 4 671 16 6			-		-

Dre 31

#### FYERCISE VIV. No. 2 (A) tout()

Di	ISE XIV—No 3 (	RANCH ACCOUNT (	contd).	Cr.
31 31	fo Wages and Saturies Rates, Taxes & Intince Rent Sundry Expenses Batance, Ner Profit	f / d 19 372 6 9 80 10 4 145 155 8 39 14 11 1,066 7/8 [1 704 15 2]	By Trading A/c (Gross Profit)	1 704 15 2

### EXERCISE XIV-No 3 (B)

#### HEAD OFFICE BOOK

Dr	HEAD OFFICE BOOKS BRANCH ACCOUNT	Cr	
19 Jah j Jah -Dec	To Stock ( South 1 sou	6 835 - 893 15 12 (7,763 16	
Dr	BRANCH ADJUSTMENT ACCOUNT	C+	

_ D	· _	BRAN	ACCOUNT	C)				
19 Dec 31 , 31		Baiance (% on Stock) Branch Alo (apparent loss) Branch Profit & Loss (Gross Profit)	£ 1 d 223 18 10 12 18 10 1,704 15 2	19 Dec. 31	By Gatance (% on Stock) "Goods sent to Brchs (% on Goods)	£300 1,710 £1 940	10	

D	Go	ODS SENT	O BRAN	cues	Cr
D e. 31	To Branch Adjustm/t A/c Trading A/c (Goods at Cots)	f s d 1 710 5 10 5,131 9 6	19 Jan -Dec.	By Branch 4/c	6 541 13 4

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			,100	001112	
EXERCISE	XIV-No 4	<i>b</i> )			
Dr	3	BRANCE GOOD	s Accou	NT	Cr
Jan June "	Balance Goods from H O Returns Inwards Allowances Branch Profit and Loss Afc (Gross Profit) Bal (Srock) b/d	2,517 16 8 28 11 4 13 801	19 June 30 B	y Salas- Cash (1,60s Credit 2 976 Returns to H O Stock c/d	(11/5) (14/2) 4 583 5 7 42 595 (15 6) (5 223 [ ]
Dr.	Ba	ANCH EXPEN	ses Acco	UNT	Cr
30 . V	ient, Rates etc ages and Salanes undry Expenses ad Debts spounts	f # d 108 12 7 294 6 8 63 12 5 218 6 3 132 5 6 4817 3 5	19 June 30 B9	Branch Profit and Loss A/e (Tran	£ s £ & £ sfer) 817 3 5
$D_{r}$	Br	ANCH DERTO	RS' ACCO	UNT	Cr
Jan Juns ,	o Balance Sales	2 976 14 2	: }	By Cash Discount Returns Inwan Allowances Bad Debts Balance c/d	251b 14 2 152 5 6 4 152 5 6 24 11 6 13 8 1 21 8 6 1 542 17 10
Dr		H FROFIT AND			C+
Loss	fice Profit & #	£ 17 3 5 1 1 220 7 5	By Branci	i Goods A/c	2,637 10 10

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BOOKS	
OFFICE	
HEAD	

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≈ oco 9 2000 ΰ 11 579 10 790 10 183 1 360 34 9 662 1 107 r ~ <u>41000</u> Invoice 00 Invoice 10 183 1 814 46 10 9 662 28 29 8 11 197 12 081 Returns to Head Office Shortage in Stock Allowances off Selling Price Stock 31st Dec Returns to Herd Office Allowances off Selling Price Stock 31st Dec Sales BRANCH A ACCOUNT By Sales BRANCH B ACCOUNT B 611 8 10 790 2 402 1 254 7 806 2 518 - 11 579 7 384 Invoice Price Invoice 221 8 1 338 9 846 1 672 261 11 7 12 081 Excess in Stock Balance Gaoss Profit c/d Balance GRoss PROBIT c/d To Stock 1st Jan Goods from Head Office To Stock 1st Jan Goods from Head Office

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# EXERCISE XIV-No. 5 (contd)

(Dr SIDE)	BRANCH A EXPENSES ACCOUNT	
To Sundry Expenses Salanes Rent, Rates, and Depreciation  Total to Transfe	Taxes	12 4 15 6 16 8 13 9
(Dr stpz)	BRANCH B EXPENSES ACCOUNT	

(Dr side) Bra	NCH E	Exp	ENSES	Acc	OUNT	 		
To Sundry Expenses "Salaries "Rent, Rates, and Tave "Depreciation Total to Transfer to I		B Pro	ofit an	: : d Loss	: : : A)s	139 318 296 35	16 13 14 17	3 2 3 1

EXERCISE XIV-No 5 (contd.)	(contd)															
D,				ğ	ANC	F P	140	3	BRANCH PROFIT AND LOSS ACCOUNTS		1	1	1	5	T	
	<				_	Ţ	Total			۷	-	m		Total	a	
To Branch Exps A/cs , Head Office Profit and Loss A/c (Transfer of NET Profit of Branches)	604	* 8 8 8 8	791		84 L	5 d 1 395 t9 7 4 7 3 524 12 10	12 19	2 7 D	f s d d d d d d d d d d d d d d d d d d	2 402	° ° °	2 518	2 518 5 11	4 920 12	2 N	
	72 402	101	6 £2 518	10	1=1	5 11 /4 920 12	2	ιο I		2 402	0	6 (2 518 5 11 (4 920 12 5	2	(4 920	ω I	
D,		-		] 8	- 8	SEX	-	- ă	GOODS SENT TO BRANCHES ACCOUNT		-			Ò		
To Branch A Returns ", Branch B Returns ", Trading Account	٠.				£ 21 34 15 135	2 L 2 L 2 L 2 L 2 L 2 L 2 L 2 L 2 L 2 L			By Branch A Branch B				7 384 7 806	25 E	79 m co	
				15	161 517	=	<u> </u>	ī .				_	£15 191	=	1	
	1					_	_	_			ľ	Ī				

3 622 15 1 Mar 31 1 1 Mar 31 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	. 61	-
23 19 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	16 11 Mar 31 Dy Sales Returns Inwards .	37 10
23 b 1 (61,0778 Outwards 23 b 1 (73,072 7 4 4 (73,072 7 7 4 4 (73,072 7 7 4 4 (73,072 7 7 4 4 (73,072 7 7 7 4 4 (73,072 7 7 7 4 (73,072 7 7 7 7 4 (73,072 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	186 4	1 505
(3,892 7 4	9 1 parage (Stock) 5/4	2 087
		(3,892
The The Indianae (netimated Stock) b/d   Z.55/	18	-
Apr 1 10 bandware from the party of the part		

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TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER

ď	2 3 6 6 6 6 6 6 6 7 7 7 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	-	2
GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19	By Branch Profits  Reading	DALANCE SHEET AS AT 31ST DECEMBER 19.	PROTRET AND ASSETS HORSE, HERMAR, VORDER SEC. Let deposition printing: Frature, and Titlenga. Parintup Frature, and Titlenga. Sucked-Trade Surity Debots Surity Debots Cash at Bark Cash at Bark Cash at Bark
IT AN	#401040141	1 48 A	6 8 4 4 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
PROF	587 450 600 287 17 3 381 78 725	SHEE	22 000 10 000 2 2514111 8 216 118 8 216 113 1 181 13
ZAL E		1 5	13 10
GENEI		1 2	3 341
E XIV-No. 7 [contd]	Dr. To Salaten' Tree Decenter for Tree Test and Tasks,		CATTAL AND LABITITES ShareDistant of Learn fully paid Network Than Account Network Than Account Network Than Account Shared Capitors Shared Capitors Fred Et Year Account Let Interm Dividend

### EXERCISE XIV-No 8

#### HEAD OFFICE TRIAL BALANCE (CONVERTED)

Sundry Assets Branch Current Account Goods in Transit Sundry Creditors Remittances from Branch Capital	:	12 317 3 710 250	s 4 11 -	d 2 4	£ 3017 1260 12000	15	d 6
		₹16 277	15	6	£16 277	15	6

#### BRANCH TRIAL BALANCE (Converted)

Sundry Assets Remittances to Head Office Remittances in Transit	2 847 1 260 60	s 10	d 9	£	5	ď
Sundry Creditors				456 3 710	19	5
	₹4 167	10	9	£4 167	10	9

#### BALANCE SHEET AS AT 31ST DECEMBER 19

LIABILITIES Capital Sundry Creditors	12 000 3 474	s d	Assays Sundry Assets Goods m Transit Remittances in Transit	15 164 250 60		d 11
£	15 474	14 11	,	15 474	14	

EXERCISE XIV-No. 9

#### HEAD OFFICE JOURNAL

19 Dec 31	Remritances from Branch . To Branch Account Balance transferred	2,360	5	đ	£ 2 360	5	đ 
" 31	Branch Trading Account To Branch Account Stock, 1st Jan Purchases 2,916 16 7 Carriage Inwards 84 7 9 Balances transferred	3,676	15	6	3,676	15	6
,, 31	Branch Account To Branch Trading Account Sales #4 462 16 8 Stock, 31st Dec 710 15 8 Balances transferred	5 173	12	4	5,173	12	4
,, 31	Branch Trading Account Branch Account To Branch Profit and Loss Account Gross profit and discount received transferred	1 496 10	16 14	10	1,507	11	9
,, 31	Branch Profit and Loss Account To Branch Account To Branch Account Wages and Salanes (423 13 11 Rent, Rates and Taxes 92 15 3 Discounts Allowed 86 19 4 Sundry Expenses 65 7 5 Bad Debra 35 18 5 Depreciation 30 14 8 Balances transferred	740			740	12	11
., 31	Branch Profit and Loss Account To Head Office Profit and Loss A/c Net profit of branch transferred	766	18	10	766	18	10
	4	14 225	11	4	14 225	11	4
	f		Ц	-#			

# HEAD OFFICE BOOKS REMITTANCES FROM BRANCH Cr.

$D_{r}$	RE:	MITTANCES	FROM DE	ANCH	Ur.
19 Dec 31	To Branch A/c	2,360	Jan Dec	By Cath	2 360 5 4

Dr	BRANCH ACCOUNT	Cr
19 To Balance Branch Pro  19 an 1 To Balance b/d	tht & Los 10 14 11 31 Branch P 31 Branch P 31 Balance c	A/c 2 360 rading 3 676 15 6 roft & Loss 740 12 1
Dr FOR	BRANCH TRADING ACCOUNT THE YEAR ENDED 31ST DECLUSER	19 Gr
To Branch Account Stock 1st Jas Purchases Carriage Inw. Branch Profit & A/c (gross pre	ards 84 7 9 Seles 31st	4 462 26 8
Dr FOR	BRANCH PROFIT AND LOSS ACCOUNT R THE YEAR ENDED 31ST DECEMBER	
	£ s d	ng A/c 1 496 16 10
To Branch Acco in: Wages & Sali Rent Rates Taxes Discts Allow Sundry Fxpe Bad Debts Depreciation Head Office Fre Loss A/c	lar es 428 1311 (gross profit and 92 15 3 Discts Recoverd 65 111 7 35 18 5 3 14 5	)ne_

#### EXERCISE XIV-No q (contd )

D.

#### BRANCH BOOKS REMITTANCES TO HEAD OFFICE

Jan -Dec.	To Casi .	2 560 3 4	19 Dec. 31	By Head Office 1/c	2,560	-
D+		HEAD OFFI	E Acco	CNI	Cr	
	In Remittances to Pe Office A/c , Balance Cd	2 380 15 4	19 Jan 1 Dec. 34	By Balance Prefit and Loss A/c (Transfer of NET profit)	3 516 h 766 1	L
			19 Jan. 1	By Balance b/d	1,923 1	- bar
Dr				oss Account ECEMBER, 19	Cr	_
To Stoc	k 1st Jan	675 11 2	By Sale	·	462 16	8

.. Purchases from H O 2 916 16 7 84 7 9 .. Carnage Inwards .. Bal . GROSS PROFIT 1 496 16 10

5 173 12 428 13 11 92 15 65 11

35 18

86 119

30 14

766 18/10

(5,173 12 1 496 16 10 By Trading Account .. Discount Received . 10 14 11

Stock, 31st Dec.

60

710 115 8

(1 507 11

.. Rent Rates & Taxes Sundry Expenses .. Bad Debts Discounts Allowed Depreciation .. H O A/c (NET profit transferred) .

To Wages and Salames

41 507 11 9

#### BALANCE SREET AS AT 31ST DECEMBER, 19 ..

EXERCISE XIV~No 10

ACCOUNT
SSOT
AND
PROFIT
AND
TR UDING
GFNFRAL

			ö	Z	Ä,	AL T	Ş	ã '	GENERAL TRADING AND FROM AND	AND	ι,	1	۽ ۾	1	DECEMBER	6										Ċ		
į.			Q	П	-3	FOR	B	_	FOR THE YEAR DO	1		1			1	ŀ	1	1	=	1	1	t	1	1	1		1	ı
	London	g	- India	Pdinburgh	世	å	Dublen		TOTAL		_			П			London	d o	-	Edinburgh	Pard	_	Dublin	뒤		Torat	اي	- 1
ck 1st Jan chrass from chracks from Trage i wards	3 047 3 047 3 047 3 984		7 4 629 5 28 085 9 2 875 9 2 675	673 673 673	* 57 ±0=0	2 852 10 2 853 10 2 853 11 2 855 11 2 855 11	"00 2-93	4-00 6-00-	14697 91621 8 222 1367 8 367	**** ****	- 00 a	S S S S	Sales Sales Stock	Sales Sales to Branch Stock 31st Dec	Sales Sales to Branches Stock 31st Dec	3.40	54 719 4 028 6 285	-282	7000	40207 3318 4752 4752	*558	4000	34 447 3 028 3 972	* 8 00	4004	129 375 10 375 15 011	"- <u></u> 22	21.89
Shows I north	65 633	2 10	7 48 279		0 0	41 448	18	12	CASA 78.	io.	110				_	181	65 033 18	ie i	똮	48 279	10	101	41 448 18 11	129	TE I	£154 762		<u> "</u>
counts Allowed riage Outwards 1 Debts gr & Sartonery gr & Sartonery gr & Sartonery arres de Expenses of Tant et on Capitols	2578 2578 2782 1972 1972 1973	9 + 9 h . 0 ± 2 ~	L	246 3888 346 388 346 346 346 346 346 346 346 346 346 346	8-8582- 84 8-8084- 48	250 251 251 341 341 341 341	9×85-9+8 (4)		25. 25. 25. 25. 25. 25. 25. 25. 25. 25.	920-2539 -9	MANUAND D.	By 1	radin	nts F	By Trading Accounts Discounts Receive I	2	13 576	6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6		8 28 4	0 m	00	908	22	-ф	30 247 1 159	212	<b>4</b> 2
ance con	50 PI 3	215				. La	21	210	13	19	10					121	14 073	15	77	(8 971 12	12	100	£8 392	1.	10	£31 437		12
I neh (Landon) Green (I d nb b.) Roberts(D bln)	6 088 1 522 1 32	0.70	- 04	283	6180 ct	1827 1827 1827	1	0004	9 198 5 915 4 632	200	- = -	By E	Brand	P. Br	By Branch Profits Ner		9 132	ы	= -	27 e	2	61	18481	일	일	19 746		=
	S 170	[ = ]	5 132		0	(5 481		9	(19745	211	1=1					81	£1 63	2 11	=1	65 132	21	1 1	(5 481	₽ļ	21	619 748		=    °
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EXERCISP XIV-No 10 (conff)

premara 19 .	London Ed nburgh Dublin Toral	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	
EXERCISE XIV-No 10 (cont.) COLUMNAR BALANCE SHIFF AS AT 31ST DECEMBER 19 .	Il Lando	1   1   1   1   1   1   1   1   1   1	
EXERCISF XI		Squirtes Squirte Account- Landon Bullet & Landon Bullet & Landon Bullet & Carlot Account- Carlot Account- Carlot Account- No Cornel (Landon A) R Robert & Carlot (Landon A)	

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BALANC
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s d Asserts		Plant and Machunery (less Deprecation)					011.11			18 4
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s d		10	_		5 10	2		=	1.4	7
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4	9	8	28	4 172 10 5	6 624	88	0 276 14	ąc	818	T
*	20 6	10 230 15	300		9 6	300	02	5 14C	203	1
3	20 646 15	00 1	3 000		φ \ e	2 500	6 4	2.	15 422 18 2 000	L
3	9	00	9,8	9.0	⊕   e	301	0.4	Ŧ	154	_
3 p s 7	9	9 198 8	30,0	G Green 1st Jan 708 12 6 14 Add Interest 5 915 911	\$ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	300			154	_

# EXERCISE XIV-No. 10 (contd.)

	10	ATTION IS	FENCED

	LONDON'S LEDGER	
Dr	L'DINBURGH CURRENT ACCOUNT	Cr
To Bulance G G Green (Shire of 1 are Bulance Pro	2,500 ft 4 5 Dec 31 By T Finch Share of Low Profil , But ince c/d	2,117 16 3
Dr	DUBLIN CURRENT ACCOUNT	Cr_
Jan 1 To Balance R R Relects (Share of Du	2 077 10 0 10 10 10 10 10 10 10 10 10 10 10 1	2 723 2 6 (3 N45 3 -
Dr	F. LINGH'S CALITAL ACCOUNT	Cr
Dec (i) In Drivings B dance c/d	10   10   10   10   10   10   10   10	20,648 15 7 1,012 6 0 6 8 898 11 1 241 2 7 1,847 4 3 27,877 11 -
	I DINBURGH'S LEDGI R	
D <sub>f</sub>	TONDON CHRREST ACCOUNT	C+
Dec 31 To F Finch (Shire of Fase, 1 rout)  u 31 , Britance e/d	pow 18.2 1 7 for 1 by Nuture (here 1 Frag. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2 388 14 5 1 240 2 5
Dr	DUBLIN CURRENT ACCOUNT	Cr
19 . I To Balance R Roberts (shire of Dun 17061)	1 1 1 2 1 2 1 2 1 2 2 2 2 2 2 2 2 2 2 2	1 253 2 4 1,571 14 3 22 834 16 13

### EXERCISE XIV-No 10 (contd) DrG GREEN'S CAPITAL ACCOUNT Cr. 19 14 172 10 5 2,500 18 296 12 10 Jan 1 Dec. 31 By Balance To Drawnes Dec 31 / Interest 708 12 6 31 Balance c/d 31 Share of Proft-1 522 London Edmbuceh 2 566 1 827 8 Dublin 4 3 20 795 12 10 23 798 Dec 31 By Balance b/d 18 296 12 10 DUBLIN'S LEDGER $C_{r}$ Dr LONDON CURRENT ACCOUNT 19 19 ı 522 2 017 18 fan By Bafance Dec 31 To F Finch Dec 3i (Share of LOYDON R Roberts Profit) (Share of Dustin Balance c/d 2 323 | 2 Profit) 31 C3 845 63 845 3 Dr EDINBURGH CURRENT ACCOUNT Cr 19 1 283 1 027 12 By Batance R Roberts Dec 31 To G Green Jan (Share of Epry Dec 31 1 827 BURGH Profits (Share of DURLIN . Balance c/d 1 571 14 Profit) 31 2 834 16 11 £2 854 16 11 $D_r$ R ROBERTS'S CAPITAL ACCOUNT Cr 5 4 1 19 2 000 5 13 To Drawings By Balance Interest Dec 31 Íaα 10 .76 114 Dec 31 , 31 Balance eld 513 118 Share of Profit-

5 15 472 15 4

London

Dubl n

Dec. 31 By Balance 6/4

Edinburgh

1 522 1 783 1 827

15 427 18 4

13 4-2118 4

2 6

# EXERCISE XIV-No az

	HEAD OFFICE BOOKS
Dr.	BRANCH ACCOUNT (MANCHESTER)
	1 . 1 . 1

Di.		THE PACEGON	I ( dance	in David	Cr		
July I July-Dec. Dec 31	To Belance—Stock Stock Debtors Goods from H O Balance GROSS PROFIT	f, s d 720 - 1 227 - 2 178 - 1 804 -	July-Dec Dec 31	By Sales— Cash Credit Belance cid— Stock Debtors	£ 1 214 2 384 1,121 1 210 (5 929	-	

			NO LOSS ACCOUNT D 31st DECEMBER, 19.	. Cr.•
To Rent Rates, etc Wages and Sundry Expenses ,, Balance, NET profit	375 396 1,033	d	By Branch Account	£1 804

Dr		(	ASH	Book		Cr		
19 July-Dec	To Branck Account— Sales Deutors	1 214 2 384 (3 398	1 J	19 July-Dec	By Branck Account— Rent & Taxes, &c., Wages & Sundry Expenses	£ 373 395 £771	-	- 1

# EXERCISE XIV-No 12

# LONDON'S LEDGER

D	, 3w	ANSEA CURRENT A	ACCOUNT	C7	_
Dec 31	To A & Bs Share of Profit Balance c/d .	6 5 d 19 2 000 - Dec 31	By Balance , C's Share of Profit	3 000 1,500	1
		[£4 500] -    	By Ralance b/d	2 500	1

# EXERCISE XIV-No 12 (confd)

LASGOW CURRENT ACCOUNT	Cr
2 500 2 d Dec 31 By D 2 Share of Prof. 3700 3700	f 200
A S CAPITAL ACCOUNT	Cr
f   1000   s d   jan   19   By Ralance   Share of Profit—London   Glasgow   Swanica   Dec. 31   By Ralance hid	\$ 000 1 000 1 000 1 1 5 600 1 1 4 600 1 1 4 600 1 1 4 600 1 1 4 600
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11.1.1
SWANSEAS LEDGFR ONDON CURRENT ACCOUNT	Cr
1 000   3   4   19   Dec 31   By A & B & Share   Profit   Balance c/d   2 500   2 500	of 2 000
LASGOW CURRENT ACCOUNT	Cr
1 too   5 d   19   13 a 1   19 Balance   10 c 31   19 Balance   10 c 31	£ 4 000 3 400
C S CAPITAL ACCOUNT	Cr
1 000   4   19   19   19   19   10   10   10   10	\$ 5000   5   d   -
	2 000   1

# EXERCISE XIV-No 12 leantd

EXERCISE XIV	No 12 (contd)	
	GLASGOW'S LEDGER	
Dr.	LONDON CURRENT ACCOUNT	Cr.
Dec. 31 To D's Share of S	1 Profit 1.599 - 100; 31 By Balance of Profit 5.200 - 100; 31 By Balance of Profit	2,000 s.d. 3,200
	Dec. 31 By Balance bid .	3,700
Dr	SPANSEA CERPENT ACCOUNT	Cr.
Jan 1 To Balance Dec. 31 To Balance b/d	(5.00) -1-	1,500 ± ± ± ± = = = = = = = = = = = = = = =
Dy	D'S CAPITAL ACCOUNT	Cr
Dec 31 To Drawners , Balance and	19 132 1 By Change Prot-	5,000 1,900 1,000 1,000
	Dec. 31 By Batance t/G	9,400
GENERAL	BALANCE SHEET AS AT 31ST DECEMBER	. 19
C . 10	600 600 100 409 48 700	£ 3 d. 16 200 43,000 21,000

117	Dr.		PPORTIO	WENT OF	APPORTIONMENT OF PROFIT ACCOUNT	T.			ć
	London	Swansea	Glasgow	Torat		London	Swantea	Glasgow	TOFAL
o Capatal Accounts—	00000	9 0001	2 4000 2 4000 2 4000 2 4000	3 1 0000	By Ney Profits of Brar ches	P 8 9	9 000 9	7 200	22 200 -
	000 67	000 97	C7 200	22 200		000 63	78 000 PJ	77 200	22 200

# EXERCISE XIV-No 13

### BRANCH (Mamerous)

Diction (Mathematical)	
PROFIT AND LOSS ACCOUNT	

Dr FOR THE	YEAR I	ENDET	31st December, 19 .	Cr
To Coal from HO "Salaries, Rent and Expenses "Bal NET PROFIT	1,749 620 366	s d	By Sales of Coal ,, Stock, 31st Dec	1,750 984
	(2 734			(2,734

# HEAD OFFICE JOURNAL

_						_			
	9 31	Branch Profit and Loss Account To Branch Account Coal from Head Office Salaries, Rent etc Balances transferred	(1,748 620	2 368	3	d	£ 2,368	3	d.
**	31	Branch Account To Branch Profit and Loss Ac Sale of Coal Stock 31st Dec Balauces transferred	count (1 750 984	2 734		-	2,734		-
"	31	Branch Profit and Loss Account To Head Office Profit and Los Balance transferred	s A/c	366	-		366	1	-
.,	31	Cash Debtors Stock Horses and Carts To Branch Account Balances transferred		78 640 934 280	1	1	1,982	1	_
**	31	Branch Account To Sundry Creditors , Head Office Adjustment Balances transferred		1 616	1		42 1,574	1	_
			É	9 066		0	9,066	ļ	-

### EXERCISE XIV-No 15

EXERCISE XIV-No 16

The Remittance to the Branch for \$100 would be deducted from the Branch Account and shown as a Remittances in Transit Account This item would not then show as a charge against the Branch but as a separate item in the Balance Sheet (See also Advanced Accounts under Goods and Remittances in Transit )

Dr	1	BRA	CH	TRAD	ING ACCOUN	TS		C	,
	к	P	Q	Tota	)	К	P	Q	Total
To Evenches— Goods from H O Returns I/wds Branch Profit and Loss A/cs (Gross Profits)	£ .00 .00 .00 .00 .00 .00	£ 600 36 493 £1 029	£ 900 60 5°1	£ 2 200 146 1 74 £3 670	By B anches— Sales Returns to HO Stocks 31st Dec	1 000 10 100	£ 900 9 120	£ 1 350 21 110	f 3 250 40 330 €3 6 0

	К	P	0	Total		16	P	0	Total
	6	E	-	7		1	6		
Rent Rates	3t	29	40	100	By Branch Trading Accounts	360	393	521	1 274
Wages and Salaries Balance N 2 2 Profit frans	39	40	45	194					
P & L A/c	290	324	436	1 450	) !				
	£360	€393	£57	(1774	1 1	€360	£393	1003	£1 27.

Dr		BR4	CH	DEBT	ors accoun	NT		c	r
	ĸ	P	Q	Total		h.	P	0	Total
To Sales	1 600	900	1,350	s 250	By Returns I/wds Cash Balance c/d	£ 50 850 100	£ 36 770 144	60 1,200 90	146 2 7 °0 334
To Balance b d	£1 000	£900	90 (1 320	£3 250 334		£1 000	£900	£1 3×0	£3 250

R   P   Q   Q   R   P   Q   Q   R   P   Q   Q   R   P   Q   Q   Q   Q   R   P   Q   Q   Q   Q   Q   Q   Q   Q   Q		HEAD OFFICE JOURNAL	PLICE	JOUR	IAL	d		ď	1		į
			я	4	9	×	4	0	¥	a.	a
Hand Findle Account   Hand Findle Account	s		,	٠,	4	300	.0g	300	7002	, 0g	906
11   The Control   1   The C	ᇊ	Branch Trading Account Contract, Account Scient Towards Balance transferred				8,	8	2	8	ß	
10 to the transfer transfer to the transfer tr	ñ	Remain Account. Margin District Trading Account Stock State Nature 10 He 11 Office	800	820	1370	31.	620'1	1 481	9	1 029	84.
10 Total District Account   200   201   201   202			61.13	(1 029	18113						
March   Marc	ē					DS4	2003	52	300	583	3
District transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer to the first transfer transfer to the first transfer	22		#8	23	ş	R	8	5	٤	2	88
31 Tariot for the Account   259 SE   475 SE   250 SE   251 SE		Dalances translerred	8	697	(8)		_				
3) Security Security (1992) 1 Company (1993) 1 Company (1		Bran Tr			1	582	325	Ş	062	324	438
Conf.   Conf					_	1 000	000	1,330	8		-
£4 107 £6 093 £4 480 £4 107	E					850	720	1,3%	8	758	1 280
						C84 17	64 107	60093	64 480	201 93	F80 83

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LEADING		٠ J	THOLE	-				1		n. 4 Office	17	Branch A	١,	L-	Branch B	┝	TOTAL	١
Head Office			Branch A.	-	Branch B	m	Torrat.			Lead of	1			1		4	1	1
,	1		18 18	H	-	7		95		4	P3	4	.4	4	ä	79	4	
11,215 5 1	,=	_	2812 3 7	-	234 17 6	4	6,090	5 2	g,	138 434	10	10000	-	-	9	=;	138 434	40 10
	-	_	94 167 2	*	3 44 267 -	10	_	70	Sales Ner Stock Jist Dec	10 527		100	1 52	12 1 1 227			15 479	
32 974 115 11			9	4.0	SE3	-	2.5	=		_	_		_		_	=		-
C148 VS1 C 10	To	_ ; 댝	C 10 (715 541 12	13	3 15 (67 1	10	(319 970 114	120		196 917	2	610 (6115 541	21	3 33 457		31	(319 970 14 8	" [   <u>   </u>
1 40		1	247 14 4	1_	9.77	9	7 074		By Trading 4/cs	32.374 1.511	=	10 143 6	9	6 583 14 7	=	_	53 701 114 11	圭
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APPROPRIATION ACCOUNT

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By Balance 1st Jan	28.784 5 8 Herd Office Branch A Branch B	
٠,	œ	00
. 1	140	0
\$ 000	28 784	43 764 5 8
`		41
To Goo land (amount we tten off)	Balance Sheet	

EXERCISE XIV-No. 17 (souts)

	1						Delance deser as at 0101 December, 19.	1	1	1	1	1	
CAPTAL AND LIABILITIES. 15,000 Shares of £10 anch.	3 3	9 1	4 1	J	4		Prechold Pression— Hend Office	3	- '	w 1	·	_	а
Hand and Park up Capital— 8 000 Shares of £10 ach Reserve Fund		ļ		10,000	11	11	Branch A Runch B Flant and Machinery	000°01 000°01 000°01	1111	[·	000'09	,	
Head Office Branch A Branch H	\$73 =	5.00	61.00	2	- :	-	Fun ture and Extores—Head Office	8 88	1111	1111	7,200		ı
Profit and Loss Assund Balance available for Batribuston		-		28,784			Pormittee and Pittings-Branch A. Less Deprectation	38	111	111	473	,	•
				_		_	Furniture and Fittings-Branch B	800	11	111	2		
	_			_			Goodwill Less Amount written off	8 000 000 000 000	11	111	760		,
							Stocht- Mad Office Frank A	10 527 1,022 1,024	444	40-4	000		. :
							Sundry Debtors—Brunch A Lets Bad Debts Reserve	9 620 240	M2	0.7	10 479		9
		_			_		Sundry Debtors—Branch D. Lets that Debts Resorve	\$ 370	to 10	04		: :	ž .
						_	Cash 11 Dank Cash 11 April -	6 790	-	φ	6220	2	-
							Branch 4	±8.%	-00	es di vo			\$
	==			(131 120 17	2	1					(131,120	′  ≃	-

EXERCISE XIV-No 18	V-No 18		PR UNI	140	1	H	200	2 2	MA	Ĕ	No 18 THE X Y Z MANUFACTURING CO LTD TO A THE Y PER END BY DECEMBER TO A THE YEAR END BY DECEMBER	LTD	50	DEC	CEMBI	ex Si	61	- 1	1	٥!		1
	Factory		Branch A.	1	-	Branch B	100		FOTAL			Factory		eq.	Branch A	4	Branch B	6 0	-	TOTAL		
To Stocks 1st Jan Furchases , Cookstrom Pery Vages Sundry Exps (Generic Salary Hates	2017 2017 2017 2017 2017 2017 2017 2017	# 0 @ 0 0	3218 75267	m	70 0	2 t5 350	7. u		15 624 76 516 0 617 1 000 1 000	* Source or	ජ ජ ශ්ශීමි ක	6 75 °67 45 350 9 177 8 837	~ 60 N	2 01 01 100	200 715 4 590	u 63	4 £	4 C/40	4 00	73 267 49 350 156 383 15 689 15 689	" w 44T	~ 01 01 → 20 00
CROSS PROF T		7	26 819 19	214	10	5 59 592	01 0	18	750 % 872	Fig	GROSS LOSS	ZEN 0 13		0	908 80 3	- 0	57 597			(291529 13	_isi	10.
To Trad ng A/o Car to Dranches Sa are etc Kater etc Sundry Expt	2 517 G	100	8 50 0 510 673 673	8648	800-	8 022 1 652 1 029	44004	- <del>-</del> 000	633 6 538 1 921 1 708	50 30 50 5	By Trad ng A cs 9 By Trad ng A cs Branch A 8 Factory 8 Net Loss	3 354 18	- 60	ă 	26 8 9 1	19 7	10 092	ē -		28 819 10 052 3 354	900	C-0110
Dal Ner Proper	(3 384 18	101		2 2	<u> </u>		0 0	7 3	22 541	œ	* (n.)	(3 354	100	18	7 818 19 7	121	10 052	I <sup>N</sup> I	101	£40 227	_ [ ]	101
Dr	GENE	RAI	GENERAL PROFIT AND LOSS ACCOUNT	Ė	N N	Lo	SS SS	1 8	OUN.	ron	R THE YEAR ENDED 31ST DECEMBER	SE SIS	7	BCE	MBL	6			1	ڻ		
To Factory Loss Sala Come Tax Come Tax And o Fres Add o Shees Debe tue fracted	5							33.5 85.9 1 500 2 500 2 500 2 500 3 5 9	- 52 50 6	A 40 W	By He d Office P ofst from last year Net P of t of B en es— B	fe from ta	. £	7					1 62 18 937 3 604	10	2 NO	n) -
							2	24 162	1-	9								9	3	62 11	_	1 00

EXERCISE XIV-No. 18 (rent!)

FILL X Y Z MINUFACTURING CO. LTD.

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V-No
ISE X
EXERC

BRANCH TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 19 THE UNITED KINGDOM TRADING CO LTD

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;   	LOTAL	8 806 12 2 24 578 15 46 5 4 520 7	29 150	6 590	63 943 15 10 62 646 12 6 66 590
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	pe.	47 4		10	101
٠Ì	Southern	8 806 12 46 5 1 564 10	10 10 417	9	1 6
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ì	_	2 960 17 9	121	3 943 15 10 2 646 12	1510
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5	Northern	15 772	£ 18 733	2	5
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2			42		1,30
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Z.		Sales Nat Allowances from Northern Branch Stocks 31st Mar		92	
>		1 1 1 5 5		By Trading A/cs	
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æ	Į	8843		ĝ	
2	Beager Talabus And Propri And Loss Account post the Yang Southern Southern Torac Northern Southern	Stage		Ë	
Ź		By Sales Nar Allowances Northern Stocks 31		ž.	
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ē		75 4	3 0	ļ	93
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ž	10	8 368 8 368 3 368	17 3 943 £ 18 733	754 10 290 455 250 156 262 10 262 10	6
_	2	61.00 6	3 3	1	2
SC		T op	7	S + 1 4 G	
RA		ocks 1st April Ilowances to Southern Branch	GROSS PROFIT	de Expenses rites Listes & Taxe Debts Reserv it Res on Drs reen of Plant Nar Profits	
н	1	4 m	E4	2 3 2 7 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	
	1	1 2 2 3 E	So	Exp Detailed	
	1	ut)	gG	rade Expense and Expense cot Rates & T and Debts Resured Resort Resort Resort Resort Resort Resort Person Sanches	
å	1	Stocks 1st Purchases Allowances Southern	Bal Bal G	Trade Expenses Salaries Rent Rates & Taxes Bad Debeis Reserve Duset Res on Drs Deprect of Plant Jal Nar Profits of Branches	
1	1	To Stocks 1st April Purchases Allowances to Southern Bran	> PI	To Trade Expenses Salancs Rent Rates & Ta Bad Debts Rese Disct Res on I Deprect of Plan Bal Nar Profi of Branches	
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ô	7	3.074	4	£3 088	
	8 8	2-		-	
	1	1,775 13			
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0 (11) GOIGH GO, THE UNITED KINGDOM TRADING CO. 110	DO LOSS AND AND AND AND AND AND AND AND AND AND	sis 9 2 By Ner Profits of Branches- 217 10 - Southern Southern	225 750	23,088 15. 5	
THE					-
EXERCISE XIV—No 19 (conid)	Dr General Pro		S Debenture Interest (incrounts 4 yr accrued) Directors Tees Darb Charges	Balance, Ner Profit	

4 000 10

LTD	
TRADING CO	Olem Manner 10
KINGDOM	malle on or second
E UNITED	

	BALANC	E SHEET A	BALANCE SHEET AS AT SIST MARCH 19			1
CAPITAL AND LIABILITIES	p s 7	p s 3	d PROPERTY AND ASSETS	3 500	42	s of
Issued Capital— 13 000 Shares of £1 each Less Calls in Arrears	13 000		(Northern Branch) Less Depreciation	262 10 -	1 037 10	
41% Debentures		2000	Plant and Machinery (Southern Branch)	2 500		
Reserve Fund Account	1 5321711	_	Less Depreciation	187 10	2 312 10	
Northern Branch	662 4 9	2 196 2	oc.	3 000	_	_
Items Outstanding— Interest on Debentures	11210	_	Stocks Northern Branch	2 960 17 9	2 200	1
Expenses Southern Branch	55 1		Branch Debtors-	1 304 10	4 525	-
Wages-Northern Branch Directors Fees	750		40	3 784 6	_	
Profit and Loss Account		2	Discount Ices (500/1/-	338 7		- 9
Balance 1st April 19 Add Current Year a Profit	1 324 11 3	1 80%	Southern Branch	2 960 7 2	CI ett e	
		1	Discount Res	19517. 8		
					2 764	9 6
	_		21% Consols (investment on account of Reserve Fund)		2 400	1
			Interest due on Investment		7	3
			(as arove) Cash at Bank Rates Prepaid (Head Office)		2 661 11 9	6 1
	ş	26 893 3 11		47	£ 26 893 311	3
		į				ı

EXERCISE XIV-No 20, IOURNAL OF HEAD OFFICE

19 .	South Africa Factory (Current A/c) To B.lb Payable Our acceptance of tells drawn on H O by Manager 19 S A	5,000	5	5,000	8	đ -
	Head Office Profit and Loss 4& . To South Africa Factory (Cor A/c). For Loss on working S.A. factory transferred.	2,000 (7,000		2,000		-

## CASH BOOK OF HEAD OFFICE (CREDIT SIDE)

	1	Bank
19	By South Africa Factory (Current A/c)	. 10,000 5 4

# EXERCISE XIV-No. 21

The answer to this question may be taken from Advanced Accounts

No 22 BRANCH TRADING AND PROTIT AND LOSS ACCOUNT FOR THE VIAK ENDED 31ST DECEMBER 19 CA	Invoice Net Pres Net	and Office 1.550 - 1.1600 s d By Sates— 5 400 - 5 400 - 5 500	, (10400 19100 - 101000 10100 10100 10100 10100 10100 10100 10100 10100 10100 10100 10100 10100 10100 10100 10100	
EXERCISE XIV—No 22		To Stock 1st Jan Goods from Head Office Balance (apparent gain) Balance Gross Progit	To Wages Rent Expenses Sunday Expenses	Tologram

To greed; ist land 18,000  To greed; ist land 18,000  Couds from on Landon  Landon  Landon  Tanner, Grees 21 000  Proof:	Transing 1, 15, 500 4, 1000 4, 96,000 4, 96,000 7, 96,00	N N N N N N N N N N N N N N N N N N N	Brazil A Brazil A Brazil A Brazil A Brazil A Brazil B B B B B B B B B B B B B B B B B B B	ğ	Torat  Torat  Torat  27,000 63,000 80,000 80,000 80,000	Total Total Total 27/000 83.000 8 80.000 36 000	E	By Sales	Teaming and Profit and Loss Account for the very result respect 51st Delice of Brail Toriton Brail Toriton Brail 15,600 4 4 12,000 1 4 27,000 1 50,	Londo Londo 21.000 21.000 21.000 22.0	London 5 6 000 8 6 000	# "	Brazil 105 000 13,000 	4	Total Total 25,000 25,0	 1
To Ducctors' Fees ", Salaries ", Office Rent &c ", Balance, NET PROFIT	850 - 850 - 150 - 19 500 -	11111	2,500 1,700 - 10 800 - £15 000		6- 8 8 N	3,350 1 850 30,300	177	à <del></del>			8	+	712,000		000 983	 1,11

EXERCISE XIV-No 23 (confd)

A B MERCHANT TRADING CO LTD

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ŀ	-		î		т—	-		_			-i	-i	-
	3	16 000	300	9	29 000	27 300		4 550				0S1 Z8	
1	<i>'</i> d	111				'   "	- '1	T			_	45	
T.	- vs			T 1		- 1	_	$\perp$			_		_
	92	10 000 6 000		18 000 13 000	300	3	2 550	2					_
BALANCE SHEET AS AT 31ST DECEMBER 19	PROPERTY AND ASSETS	Factories— London Brazil Branch	Furniture London	London Brazil Branch	Sundry Deblors-	Brazil Branca	Cash in Banh— London	Brazil Bfanch					
¥	ď	_	_	_				_		_		ш	$\Box$
¥8			_					_			_	$\Box$	_
HERT	~				25 000	25 000	_	5 500			31 500	051 28	
20	e.			- 1				Т		-	T	4	-
V.N.C	- 5						_	工			J		_
BAL	3	50 000	20 000	£100 000			4 600		1 200	30 300			
	CAPITAL AND LIABILITIES	Nominal Capital— 5 000 5% Preference Shares of 410 each	50,000 Ordinary Shares of £1		Issued Capital 5 000 5% Preference Shares	50 000 Ordinary Shares of £1 each 10/ per share paid	Sundry Creditors— London Brant Branch	Commone Outstanding	134	London £19 500 Brazil Branch . 10 800			
	•	•				385							

## EXERCISE XIV-No 24

BRANCH TRADING AND PROFIT AND LOSS ACCOUNT n, FOR THE HALF-YEAR ENDED 30TH JUNE, 19 .

To Purchases , Wages , Bal , Gross Profit	£ 4 200 5 700 44,280	s d	By Sales	. 54,180 s d -
-	54,180			£ 54,180
To Salaries Directors Fees Discounts Fire Insurance	200 200 2 500 240		By Trading Account	44,280
"Balance NET PROFIT transferred to HO A/c .	40 780			
	14 280			₹ 44,280 -

### BALANCE SHEET AS AT 30TH JUYE, 19 .. (Newcastle on-Type Branch)

Liabilities		 				_	_
2 3 130	Sundry Creditors	s d	Cash Bank Debtors Fire Insurance	: :	1 450 56,380	5	4

L	r H	PAD C	rı	ľ	CE ACC	TRUC	C#		
19 June 30 ,, 30 ,, 30	To Resultances from Branch Premises Extension Balance c/d	£ 29 560 1 500 34 440 £ 85 500	-	4	June 30	By Balance Profit and Less A/c (Nar Froirr trans ferred) & By Balance t/d	44 720 40 780 85,500 54 440	-	

Dr	REMIT	TANCES							
19 . Jan - June	To Cash	29 560	1-14	L0 June	30	Ву Неа	d Diffice A/c	29 560	5

# EXERCISE XIV-No 24 (contd)

$D_7$	PREMISES EXTENSION ACCOUNT	Cr
Jan June To Cash	1 500 - d 19 June 30 By Head Office A/c	1 800 s d

# EXERCISE XIV-No 25

The tea sold through brokers would of course require no change of method to that normally employed in accounting

The question of dealing with remittances to Cevlon and the expenditure

in Ceylon will require double columns one for currency and the other for sterling Remittances would be charged against Ceylon at the rate ruling when sent The expenditure in Ceylon would be converted at the average for the

period under review.

EXERCISE XIV-No 26

CHICAGO	TRIAL	BAL	INC	E
 (0	ON FRE	(a)		
 		1_	1	_

				,	1 1	le .		١.
	- 1	Rate .	£	5	2	l £	ſs	[d
Fixtures and Fittings .	٠,	4 88	1,070	17	8	1 -	<u>ا</u>	1
Bills Receivable	-1	5 04	2,347	116	-	í	( )	i
Sundry Debtors	-4	304	3,905	5	-1	?	1	ı
Sundry Creditors	-4	5-04		1		940	14	8
Stock, 1st Jan	-	4 87	2,125	9	2	ł	1	1
Purchases	-1	4-96	7,443	13	35	}	1	ł
Sales .	Į	4 96		1	١ ;	13,608	19	6
Discounts Allowed	ą.	4 96	252	3	-	1	1	
Discounts Received	•	4 96		, ,	3	119	19	-
Sundry Expenses	- 1	4.96	557	119	s	1	ĺΙ	1
Wages and Salaries	-	4 96	1,376	2	4	[	1	
Rent, Rates, Taxes, and Insurance .	.1	1-95	292	22	4,	i	H	
Bad Debts	-1	4 96	51	$\mathbf{E}$	10	î i	ı	
Depreciation	-1	4 96	177	2	8	ł i	1	
Cash in Hand	-1	5 04	180				. 1	
Cash at Bank	-1	501	1,809	15	- 1	0 ;	1	
Head Office Account, 1st lan	.,	8	1 1			12,745	12	10
Remittances to Head Office	٠,	- 1	5,797	7	4		1	
Difference in Exchange (Loss).	·.	- 1	24	14	8		1	1
	-1			_	J		_	-
	- 1	£.	27,414	16	-(	27 414	16	
	-{	- 6		إلى	4	أرضعت	-	_
Stock, 31st Dec. @ 5 04 = £2,085 6/4	ſ	ij	[	- 1	- k		- 1	

HEAD	OFFICE	IOURNAL.	

	HEAD OFFICE JOU	RNAL		
19 Dec 3)	Remittances from Branch To Branch Account Balance transferred	1, 5,797	[ € 4 5,797	s d T 4
31	Branch Trading Account To Branch Account Stock, 1st Jan Purchaeta Parkaeta Balances transferred	9,571 3 5-9 2 3 10	9 571	3 -
" 31	Branch Account To Branch Trading Account Sales Stock, 31st Dec 2.885 Balances transferred		15,691	5 10
., 21	Branch Trading Account Branch Account To Branch Profit and Loss A/c Gross profit and discounts receivers	6,123 2 16 119 19	6 243	110

# EXERCISE XIV-No 26 (conta)

### HEAD OFFICE TOURNAL-Iconta

HEAD OFFICE JOURNAL-(co	mtd)	
Branch Profit and Loss Account To Branch Account Decoupts Allowed Sundry Expenses Wages and Salaries Harth Rates Taxes etc Bad Dehts Depreciation Difference in Exchange Balances transferred		s d f s 6 2 732 8
Branch Profit and Loss Account To Head Office Profit and I oss A c NET PROFIT of branch transferred	3 510 1	3 510 13
£	43 548 1	9 10 43 548 19 1
REMITTANCES FROM BRAN	сн	Cr 8 797 7
Branch Account		Cr
Branch Tradhor 4/e 15694 a 10 31 C C C C C C C C C C C C C C C C C C	Branch Trac Branch Pro Loss A/c	S 797 7
Branch Trading Accoun	NT	Cr
To Branch Account— Stock Purchases , Pranch Profit and Lots Account (Groy (Foot))  1	Branch 1cco Sales Stock	13 608 19 2 035 6
	Branch Profit and Loss Account To Branch Account Dividuality Allowed Sundry Lephenes Wester and Salaries Wester and Salaries Wester and Salaries Wester and Salaries Wester and Salaries Wester and Salaries Wester and Salaries Sundry Lephen	2   32   1   1   1   1   1   1   1   1   1

# EXERCISE XIV-No z6 (contd)

L21L1101	32 Atv-10 20	(conta j				
Dr_	BRAN	CH PROFIT A	VD LOSS	Accorvi	Cr.	_
19 Dec 31	To Branck Al-county Discounts allowed Sundry Expenses Wages and Sulante Rent, Rates, etc. Bad Debts Deprecation Difference in Exchange Balance, Nr Phony to H.O. P. & L. A.	557 19' 8' 1,376 2 4 292 11 4 51 14 10' 177 2 8	19 Dec. 31 , 31	By Brageh Tradipe A/ Boscopnis Received	119	2 f
Dr	Re	BRANCH MITTANCES T			Cr	
19 Jan -De	To Cash	Dols Cts 29 500-000		By HO A/c	Dols 29,500-1	Ct3
D+		HEAD OFFI	CE ACCO	evi	Cr	_
19 Dec 31	To Transfer from Re mittances ,, Balance c/d	Dols Cts 29 500 00 52 528 60	jan 1 Dec 31		64,134 9 17,893 2	Cts. 70
		82 028 60	Dec 31	By Balance b/d	82,028 6 52,528 6	-
D <sub>7</sub>		AND PROFIT		SS ACCOUNT ECEMBER, 19	Cr	
, Purc	s, 1st Jan bases	Dols Cts 10 351 00 36 930 64 30 728 86	By Sal		Dols 6 67,500-5 10 510-0	0
(6)	ROSS PROFIT)	78 010-30			78 010-5	0
" Sund " Wag " Rent " Bad	ounts Allowed ry Expenses es and Salaries , Rates, etc Debts - ectation - Profit to H O A/o	1 250 65 2 767 60 6 825 50 1,451 12 878-58 256 64 17 893-70	By Tra ,, Dis	ding Account counts Received	30 728 8 594 9	6
		31,323 82			31,323 8	2 ==

# EXERCISE XIV-No 26 (ce

contd)	BALANCE	CHICACO BRANCH SHEET AS AT 31ST DECE	CHICACO BRANCH BALANCE SHEET AS AT 31ST DECEMBER 19	
	Dols Cts	Dols Cts Dols Cts 4 741 30 52 528 60	Dols Cts Assets 474130 Cash a Bank 52.528 60 Crsh at Bank	Dols Ct 910 5 9 12 1 1-
			Bills Receivable Sundry Debtors Stock Fixtures and Tittings	
		57 269 90		

LIABILITIPS Sundry Creditors Hend Office Account

ts Dols Cts

87 269 90

(i) A Bylance Sheet for work ng of Brancii would not appear in Head Office books but would be incorporated in the General Balance Sheet (2) Ile Branch would keep its LEDGER etc in currency and consequently this exercise is worked accordingly

Notes -

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LXERCISE 28 is similarly treated

# EXERCISE XIV-No 27.

The same as Example 2 of Advanced Accounts page 479 except that double the figures are employed

# EXERCISE XIV-No 28

SHANGHAI TRIAL BALANCE (CONVENTED)

		ii.	T.	_		Т	т
	Rate	£	15	ď	£	} s	ď
Head Office Account	.) - 1	) ~ ;			15,270	2	В
Remittances to Head Office	1 - 1	2 850	-	-			
Stock, 1st ]an .	2/10	2 850 1.856	13	8		ſΙ	
Freehold Land and Buildings	3/4				Į.	U	
Purchases	3/2	6814	13	4	1	i .	Į.
Sales	3/2	H	ιı		10,766	19	8
Sundry Debtors .	3/6	4 686	10	1	Y	1	Į.
Sundry Creditors	3/6	i i		١.	2,581	19	ŀ
Fixtures and Fittings	3/-	949	19	-		l	
Carriage and Freight (Inwards)	3/2	416	11	8		1	
Salaries	3/2	460		8,	Ι.	IJ	
Rates and Taxes .	3/2	105	18	6		ч	
Sundry Expenses	3/2	57	15	10	i i	1	
Cash .	3/6	24	6	6		ч	
Bank .	3/6	2 337	14	-		ш	
Plant and Machinery	3/6	3.150	-	-1	1 1	1	
Wages .	3/2	1,318	12	- 11		l Į	
Depreciation	3/2		19	. 1		. 1	
Difference in Exchange (Loss)	- 1	139	19	2	1	(	
Stock, 31st Dec @3s 6d = £2 027/18/	6	28 619	1	2	28 619	1	2
	1 4	1	ł	H	_ {	J	_

# EXERCISE XIV-No 28 (contd)

Dr

# HEAD OFFICE JOURNAL

		Depreciation 399/19/- Difference in Exchange 139/19/2 Balances transferred		Ш				
"	31	Branch Profit and Loss Account To Branch Account Salaries 4460/8/8 Rates and Taxes 105/18/6 Sundry Fynesses 57/15/10	1 164	2	2	1 164	1	2
•	31	Branch Trading Account To Branch Profit and Loss A c Balance translerred	2 388	7	2	2 383	7	2
"	31	Branch Account   To Branch Trading Account	12 794	17	8	12 794	17	8
,,	31	Branch Trading Account   To Branch Account   Stock 1st Jan   6814/19/4   Purchases   6814/19/4   Carnage etc   Vinges   1318/12/-Balances transferred   1318/12/-	10 406	10	6	10 406	លេ	6
Dec	31	Remittances from Branch To Branch Account Balance transferred	2 850	1		2 850	-	-
19	- 1		1	3	d	£		ď

### HEAD OFFICE LEDGER RESITTANCES FROM BRANCH Cr 19 Dec, 31 To Branch Account Jan Dec. By Cash

Dr.

Dr

19.

Jan.-Dec.

To Cash

19

BRANCH ACCOUNT

Branch Trading A/c 10,406 Branch Profit & Loss 1,164 Balance c/d 13 644

 $C_{\tau}$ 

Cr

Taels

19 000

# EXERCISE XIV-No 28 (contd)

. Branch Trading A/c

Dec. 31	To Balance b/d	28 065 - 2 13,641 8 6	₹ 28,085  ~ 2
D	)r	BRANCH TRADING ACC	OUNT Cr
19 Dec 31	To Branch Account- Stock, In Jan Purchases Carnago, etc. Wages Branch P & L	1,8-6 13 8 6,814 13 4 416 11 6 1 378 72 -	39 Branch Account— Soles Stock, Sist Dec 2,027 18 -
D	r Bra	NCH PROFIT AND LOSS	ACCOUNT Cr
19 Dec 31	To Branch Account— Salaries Rates and Tax Sundry Expose Depreciation Difference in change	es 105 18 6 ses 57 18 10	y Beanch Trading A/c 2,583 7 2
. 31	NET PROTES to H Profit & Loss	10	[2 388 7 2

BRANCH LEDGER

REMITTANCES TO HEAD OFFICE

Dec 31 By Head Office A/c

Taels 19 19.000 Dec

# EXERCISE XIV-No 28 (contd.)

Dτ	HEAD OFFICE ACCOUNT	Cr
19	Tacls 19	Taels

19 Dec 31	To Remittances to Head Office Balance c/d	Taels 19 000 79 730	19 <i>Jan</i> J Dec 31	By Balance Profit& Loss A/c (NET PROFIT)	Taels 92 713 6 017
		98 730	Dec 31		98 730 79 730

# TRADING AND PROTIT AND LOSS ACCOUNT

Dr	FOR THE	YEAR ENDED	31st Deci	MBER 19	Cr
To Stock 1st Purchases Carriage e Wages Balance c/	tc	Taels 13 106 43 046 2 (31 8 328 (2 483	Stock	31st Dec	Taels 68 00° 11 588

	/9 590		/9 590
To Salaries Rates and Taxes Sundry Expenses Depreciation NET PROFIT to HO A c	2 90% 669 365 2 576 6 017	By frading Account	12 48
	12 485		12 48:

		31sr December 19	
LIABILITIES	Tael	ASSETS	Taels
Sundry Creditors	14.754	Cash in hand	13
Head Office Account	79 730.	Cash at Bank	13 64
		Sundry Debtors	6 78
	1 1	Stock at close	11 58
		Fixt res and Fittings	6 33
	1 !	Plant and Machinery	18 00
	- 1 1	Freehold Land and Buldings	18 00
	1		\- <u> </u>
	91 484		94 48
		1	

EXERCISE XIV-No 29

# FOREIGN BOOKS

19 . Dols Cts Dols Cts 26,667 Jan 31 Stores Account 26 667 To London Office Account. For sales purchased from London 11 000 @ 9d = \$13 334 @ 18d std 31 Stores Account 3,000 To Sundry Creditors 3,000 For stores purchased locally \$3,000 @ 9d = \$1,500 @ 18d std 12 000 31 Stores Consumed Account 12 000 To Stores Account For stores used on revenue \$6 000 @ 18d std = \$12,000 @ 9d 8 000 31 Capital Expenditure Account 8 000 To Stores Account For stores used on capital \$4.000 @ 18d atd = \$8.000 @ 9d 40,000 31 Sundry Debtors 40.000 To Work Done Account For gross revenue earned 6,000 31 Trade Expenses Account 8 000 To Sundry Creditors For expenses accrued \$95 667 \$93 667

# PAPER BOOKS

	JOURNAL	 			
19 Dec 31	Bank Sundry Debtors To Sundry Creditors , Conversions Account (For balances at this date)	Dols 10,000 40 000	Cts	Dols 15 000 35 000	Cts
19. Jan 31	Conversions Account To Sundry Creditors For stores purchased locally	50,000 3,000	-	50,000 3,000	-
,, 31	Stores Consumed Account To Conversions Account For stores used on revenue \$6,000 @ 18d std = \$12,000 @ 98	12 000	-	12 000	-

# EXERCISE XIV-No 29 (cortd)

# PAPER BOOKS-(contd)

IOURNAL-(contd)

19 Jan 31	Sundry Debtors To Work Done For gross revenue carned	Dols 40 000	Cts	Dols 40 000	Cts
31	Trade Expenses Account To Sur dry Creditors (For expenses accrued)	6 600		6 000	-
		\$111 000		s111 000	

# GOLD BOOKS IOURNAL

19 Dec 31	Stores Account	Dols 31 666	Cts	Do*s	Cts
	Convers ons Account Fo London Office (say)	18 475		50 141	-
19	(For balances at this date)	50 141		50 141	-
Jan 31	Stores Account To London Office Account For stores purchased from London £1 000 \$13 334 @ 18d std	13 334		13 334	-
31	Stores Account To Convers ons Account For stores purchased from creditors \$3 000 @ 9d = \$1 500 @ 18d std	1 500		1 500	-
31	Conversions Account To Stores Account For stores used on revenue	6 000		6 000	
31	Capital Expenditure Account To Stores Account For stores used on Capital A/c	4 000		4 000	-
31	Capital Expenditure To Conversions Account For wages paid on capital 43 000 @ 9d \$1 500 @ 18d std	1 500		1 500	-
31	London Office Account To Corners ons Account (For \$12 000 reputted @ 101d - \$7 000 @ 18d std)	1 000		7 000	
	5. 000 @ rod str.1	\$83 475		\$83 475	

# Dols Cts. 40 000 Dols 11,000 40,000 65,700 116 700 Ċ, 8 000 3,000 16,000 12 000 50 000 Capital Expenditure @ 9d = £150 Sundry Creditors London Office @ 101d = £525 Stores in hand = (£36,500 @ Std 18d) ASSETS an 31 By Work Done. BAI ANCE SHEET 31sr JANUARY 19 Sundry Debtors REVFNUE ACCOUNT FOREIGN BOOKS CASH BOOK 13 13 Ç 5 116 700 3ofs 8 000 8 700 888 888 888 4 000 000 01 10,000 9000 10 000 Doly Dols (NET PROFIT to London Office @9d Sundry Creditors London Office (£4,529/3/4 @ 10d ) EXERCISE XIV -- No 29 (confd 1 To Stores Consumed LIABILITIES To Sundry Debtors Wages Trade Expenses Balance To Balance 19 Dec 31 19 Jan 31 å

398

# FOREIGN BOOKS-(contd)

Ď					STORES	STORES ACCOUNT				ڻ
Dec 31 19 31 13 31	To Balance To Iondon Office Sundry Creditors	Rafe 9	40.60	Std \$ 31 666 13 334 1 500	\$ 60 000 26 667 3 000	19 Jan 31 31 31	By Stores Consumed Capital Expenditute Balance cld London Office (1djustment)	Rate 9 9 10	std \$ 6000 4 000 38 500	\$ 12 000 8 000 65 700 3 967
			141	46 500	89 667				46 500	89 667
à			CAP	ITAL	CAPENI	NTURF	CAPITAL EXPENDITURE ACCOUNT			ů
19 Jan 31	To Stores Account	Rate 9	1300	# O	\$ 000 3 000	19 Jan 31	By Transfer to Lon don Office	Rate	£ 5 4	11 000
			f412 10	9	11 000				£412 10	11 000
ĥ				LONI	OON OFF	LONDON OFFICE ACCOUNT	UNT			ò
Jan 31 31 31	To Cash (Remttances) Cap Expenditure ,, Stores (Adjustm t) ,, Balance c/d	Rate 10½ 9	\$25 412 4 529	3 4 3	\$ 12 606 11 000 3 967 108 700	19 Dec 31 19 Jan 31 31	By Balance By Stores Account . Revenue Account . Profe on Exchange.	Rate 92 9	3 760 s d 1 000 - 525 - 181 5	\$ 95 000 26 667 14 000
		1.5	5 466	13	(5 466 13 4 135 667				-1-	135 667

### EXERCISE XIV-No 29 (contd)

### PAPER BOOKS

31 "Capital Expenditure 3,000 - 19 31 London Office 12,000 - 1an, 31 Stores Consumed 12,000	Dr		VERSIO	S ACC	OUNT	Cr	_
61,000	Jan. 31 , 31	"Capital Expenditure London Office (Remittances)		Dec 31 19 Jan. 31	Stores Consumed Revenue Account Our Providerans	Dols 30 900 12 900 14,900 61,000	1-

COLD	ROOKS

D	,	STORES .		-	Cr.	
19 Dec. 31 19 Jan. 31 " 31	To Balance  n London Office Conversions Account	Dola Sts. 31,666 13,534 1 5.00 46,500 -	19 Jan 31 23 23 23 31	By Copyrhans Account Capital Expenditure Balance eld	Dogs. 6 000 4 000 36,500	Cis

D	CAPITAL	EXPENT	DITURI	ACCOUNT	Cr.	
Jan 31 ,, 31	To Stores , Conversions Account (Wages)	Dois Cts 4 000 1,500	f9 Jan 31	By Transfer to London Office .		CIA.

D	LON	DOM OFF	ICE AC	COUNT	Cr.	_
19 3n 31 31 31	To Conversions (Remittances) Capital Espendature Balance	Dols Cis 7 000 - 5,830 - 60,338 -	Dec 31	By Balance By Stares Conversions	Dols. 59,141 13,331 7,000	Cti

Jan 31 31 31	To Conversions (Remittances) (Reptal Espendinge a Capital Espendinge Ballance	19	By Stores Conversions (VET Propiri) Profit on Exchange	Dols. 59,141 13,331 7,000 2,413 72,888	-

### EXERCISE XIV - No 29 (contd.)

### GOLD BOOKS-(contd)

Dr		VERSION			Cr
19 Dec. 31 19 Jan 31 , 31	To Balance  Stores London Office (Nar Paopri)  Profit on Exchange	Dols Cts 18 475 6 000 7 000 2 413 33 888	19 Jan 31 31 31 , 31	By Stores Account Cap tal Expenditure London Offices (Remutances) Balance as per Paper Books (\$43 000 @ 10d )	Dols   Cts,   1 500   1 500   7 000   23 888   33 888

Notz —The Balance is arrived at as follows —  $\frac{43\,000 \times 10}{18}$ 

### FINAL BALANCES

PAPER BO	OKS		GOLD BOOKS				
	Doll	lars		Dol	lars		
Bank Debtors Creditors Conversions Account	D <sub>7</sub> 11 000 40 000	8 000 43 000 51 000	6	Dr 36 500 23 883	Cr 60 388 60 388		

### EXERCISE XIV-No 30.

### JOURNAL OF X, LTD

[4)	Office Safe Account To Birmingham Branch Account Office Safe purchased for Cash by Birmingham Branch	£ 80	d	£ 80	5	4
(b)	Manchester Branch Account Dr To Goods sent to Branches Account Goods supplied (at cost)	47 1	5	47	15	-
(e)	Liverpool Branch Debtors Account Dr To Manchester Branch Debtors Account Transfer of Account of A Debtor from Manchester to Liverpool Branch.	29 1	0 -	29	10	-
16)	Manchester Branch P and L Account Dr To H O Profit and Loss Account Transfer of net profit of Manchester Branch.	1,599	8	1 599	6	8
	H O Profit and Loss Account Dr To Liverpool Branch P and L Account Transfer of net loss of Liverpool Branch	107	3 9	107	3	9

### EXERCISE XIV-No 30 (contd)

### MANCHESTER BRANCH JOURNAL

(c)	Liverpool Branch Account Dr To Sundry Debtors Account Transfer of A Debtor's Account to Liverpool Branch Account	·	£29	s 10	ď	29	3 10	ď
(d)	Profit and Loss Account Dr To Head Office Account Transfer of net profit to H O		1 599	6	8	1 599	6	8

### LIVERPOOL BRANCH JOURNAL

(c)	Sundry Debtors Account  To Manchester Branch Account  Transfer of A Debtor s Account from  Manchester Branch	29	s d	£ 29	s 10	d
(d)	Head Office Account To Profit and Loss Account Transfer of net loss to H O	107	3 9	107	3	9

ADDRESS.

### EXERCISE XV (A)-No T

NAME

# THE EASTWOOL APPLICATION AND No of Shares Pad on Pa

Amount Past up.

	Willingt	on, E	rnest . 33 F	ta) leigh Street, E.C.		T	1 000 250
_					RFG	IST	ER OF TRAN
_		Π		TRANSFEROR'S		T	
No of Transfer,	Date Transfer Regna tered	S L Fo	Name	Aponess	Occupation	S I.	Name.
1 2	Mar e Apr 3	6	Gee, R. Willington E	14 High Street, Burnham 33 Rayleigh Street, E.C.	Surveyor	1	Willington, E. Robinson Peter
	(1) Name Addres	n		RI m, Ernest & Street, London, E C	Occupati		EMBERS AND
D	1	_	1 11	CASH ACCOUNT	1	_	Cr Total

Jan 1t By Cash

(1)

### TIMBER CO. LTD

### ALLOTMENTS BOOK (ORDINARY SHARES)

Amount

Shares Allotted	From	To	S L Fa	Appl cation and Atlotment	Due on Allotment	Paid on Allotment	Cash 7	
500	18 500	18 999		250 - 4				Letter of Regret No ~

### FERS (ORDINARY SHARES)

Transfére			SHARE	S TRANSF	2 10			
ADDRESS	Occupation	No of Shares	Distinctive Numbers From. To		Amount Pa d up	No of New Certificates	Remarks	
34 Rayleigh Street E C 14 Dowgate Southminster	=	500 100	, 1	100	500 100 -			

### SHARE LEDGER (ORDINARY SHARES)

Date entered as a Member

January 20th 19

Date c	ease	i to	be a	Memb		Si	IARES	Ao	cou.	νt							
	SHARES ACQUIRED								MARE	S TRAYS		BALANCE					
Date	Date Fo   5   Distinctive   Amount   Paid up						Date	Fo		Disting Number of Persons.	ect ve bers	Am Par	oun i u	it P	No of Shares		lmount aid up
19 Jan 20 Sfar 6		500 500	t8 500 E	13 999 500	£ 1	4	19 Apr ;		100	1	100	100		d	500 500 1000	250 300 1000 900	d

### EXERCISE XV (A)-No. 2.

### A LIM PROTECTED OF MEMBERS IN

REGISTER OF MEM	
NameSmith, John Occupation Cork	Merchant
NameSmith. JohnA40 Austin Friars, E C.	
Address	_

			. 1! 1
Date Particulars, Fo.	Amount Total Called Amount Da Share up.	de. Particulars.	Fo Total Amount Past up
Jan. 12 To Apphration and Allottoeut .	6 - 37 10 - 120 -	12,000	13 Ja - 13 Ib <sub>1</sub> - 77 It <sub>0</sub>

ALA: 14		 _'						
		Broces	, William			Occupation	Hatter	
	ame ddress	 48	6 Bond Str	et, W	· -		<del></del> -	77
_	Ī	 -	TH					للن
	1	 _ н	1 1					

### EXERCISE XV (A)-No 3

An example of an Annual Return is on page 584 of Advanced Accounts See, also be submitted with the Annual Return.

### EXERCISE XV (A)-No 4-

# THE X Y Z MANU

			APPLICATION AND
No of Application	NAME.	Appress.	Occupation Shares Amount Paid on Applicat's.
1 Ro 2 Ro 3 Au	beris, Arthur hards, Henry P tros, Lucas erton, Ellen moreton, Forman nyd, George L	to Fushury Street. B truton The Grangs, Lwdord, Hants 114 Princes Street Sheffield Park Grove, Funckley (20) Londbard Street. E.C. 178 High Road, Nottengham	Wood Merchant

### ITED CO

SHARE LEDGER (SHARES

Date entered as a Member Date ceased to be a Member January 12th, 19

### SHARRS ACCOUNT

STARES ACQUIRES	,		SHARE	SHARES TRANSFERRED BALANCE						
Date Fo O S Num	tctive bere	Amount Poid up	Date	Fo over of	Prote. T	-	Amount Paid up	No of Shares	Amount Paid up	
19 Jan 12 150 1	150	6 3 4	19 April 3	100	1	100	50 -	350 150 50	23 d 25 25 -	

Date entered as a Member

April 3rd 19

Date ceas	ed to b	e a Me	mber				
April 3	100	ı	100	0 - 3		100	60 4

the form of Balance Sheet on page 588 of Advanced Accounts which form would

### FACTURING CO LTD

# ALIOTMENTS BOOK (SHARES)

Shares Allotted	From	To	S1. Fo	Appl cate and Allotines	- 1	Due Allous	Opt	1	Pa d Allote	on		Return	red	No of Sh Certifica	Remarks	
3 000 2 000 4 000 N I 4 006 500	3 001 5 001 9 001 13 001	3 000 5 000 9 000 13 000 13 500		1 875 1 250 2 500 312 10	-	£ 875 508 1 250 1,250 87	10	4	875 500 1250 1250 87	۳.	-	£ 50	4 4		Letter of Regret No 1	

(1)

### EXERCISE XV (A)-No. 5

### THE PNEUMATIC REGISTER OF MEMBERS AND

	Name Address	Essley, Robert Occupation Me	rchant
I	)r.	CASH ACCOUNT	Cr
Date	Particulars	Fo Called up Total Amount Date, Parisculars, Catled up	Fo Total Amount Paid up
f9 Mar 1	To Application a Allotment	nd £ 2 d. £ 6 d 19.  7 6 ts7 (0) - Mar 10 , Cash	12 10 - 170 - 270 -
Aug 31	To First Call . "Second Call "Final Call	5 - (125) - May 15 By Cath 2 6 C75 - Sept 15 Cath 5 - (120) - Oct. 25 Cath	£75 £130
(2)	Name Address	King, Thomas Occupation 14 The Lanes, Farnham	Surveyor
IØ Mar 1	To Application a	nd 6 s d, 6 f d 59 23 By Cath	62 10 - 125 - (187 10 -
Aug 31	To First Call , Second Call , Final Call	5 - (173   May 15 By Cerb , 2 6 (20   Sept 15 , Cerb , 5   (100   -1 ) Oct. 20 , Cerb	£100
(3)	Name Address	Tinion, John Occupation 115 Lame Sirres, Halifax	Merchant
19 Oct \$5	To Funal Call	£   5 d   £   20   19   19 Cash	£ 20
(4)	Name Address	Brown Philip Occupation 9 Lupus Sirest, Benfield	Engineer

(1)

### TYRE CO, LTD

SHARE LEDGER (ORDINARY SHARES)

March 1st 19

Date entered as a Member December 2nz 19 Date ceased as a Member

SHARES ACQUIRED							SHARTS TRANSFERRED							BALANCE		
Date	Fo	No of Shares		nctive	Am Pak	unt i up	Date	Fo	No of Shares	Dista Nuc From	retive ibers	Ama	ount lup	No of Shares	Amoun Paid up	
19 far 1 uly 1		500	721 401	1 220 500	1	s d	19 Oct 1 Dec	222222	80 100 80 340	801 401 721 881	880 800 800 1 220	60 100 80 340	, d	500 600 600 520 520 420 340 Nil	# 187 10 312 10 375 450 - 390 520 420 - 340 N 11	

Date ceased as a Member £ 4 1 500 £ 7

Date entered as a Member Date ceased as a Member

October 12th 19

19 Oct 12

Date entered as a Member Date ceased as a Member 100

(4) December 2nd 19

### EXERCISE XV (A)-No 6.

### THE PNEUMATIC REGISTER OF TRANS

_		ų		Transferon's		į)	
No of Transfer	Date Transfer Regss tered	S L Fo	Name	Aponess	Occupation	S L. Fo	Name
1	19 July 1	2	King, Thos.	14 The Laper, Frenham	Surveyor	,	Essley, Robert
2	Oct, 12	1	Dasley, Robert	115 Walkley Road, Thorn beath	Merchant	3	Tinton, John
3	Dec. 2	,	Essley, Robert	135 Walkley Road, Thorn heath	Do.	•	Brown, Parkp

### EXERCISE XV (A)-No. 7.

### CALL BOOK

### First Call of 5s per share made

S L Fo	Name	Address	No of Shares Held	Amount Due
,	Lake R T Brown, A F Cassell F Neller, T O Locksley, N P Chalmers, E Bullen, F T Silverlock, J P	16 Bradford Road Leeds 18 Radus Street, Bradford 18 Park Road Producty, N W. 186 Park Road Producty, N W. 187 Park Road Producty, Parketter 185 Coldthorpe Avenue, Parketon, S W. 17 Buller Street Nottingham 12 Lake Street, Rekley Clere Park, Winthorpe	2,000 1 1 1 1 2,495 5 500	£ 500

TYRE CO ITD

FERS (ORDINARY SHARES)

TRANSFEREE	8	11	SHARE	امجا			
ADDRESS	Occupation	No of	Distri Num	nct ve abers	Amount Paid up	of New t ficates	Remarks.
		Zź	From,	To	, and up	કર્ફ	
115 Walkley Road Thorn	Merchant	100	401	500	62 10 -	101	
115 Lime Street Hal faz	Do	80	801	890	60 -	102	
9 Lupus Street Benfield	Eogneer	100 80 340	401 721 831	500 800 1 220	100 80 340}	103	

### (ORDINARY SHARES)

May 5th and payable by May 20th

Amount Paid	Amount	Days	Intere	st	Call Paid Advan	ın.	Remarks
\$ d = 5 = 5 = 5 = 5 = 5 = 5	1 200 s d	31	£	s d			Paid June 20th
323 15 - 1 375	300 -	31	1	5 6			Paid June 20th
£2 000	<u>₹</u> 500 -	-	£2	2 6		4	

### KEY TO ADVANCED ACCOUNTS

412 EXERCIS	E XV	(A)—No. 8				DEF	ENTURE	APP	LICAT	105	
Lillari						I	1	No. of	1 4 77	mat .	ĺ
No of Applica-	Date of Appli- cation.	NAME.		Apna	rss.	-	Doorpation.	Debs. Applied for	Paul Apple tion	<b>424</b>	
1 2 3 4 5 6 7 8 9 10 11	19 Mar. 2 " 3 " 4 " 5 " 6 " 77 " 8 " 8		17 Seal 21 Res 44 Win 21 Cro 12 Per 75 Per 25 Bu 112 Bo 29 Gr	ord Roa ynt Stree ylyar Ros fron Stree don Roa cy Street maby Ga schiey Ro anville St	et, Barninis, Lever poor, Lends of, Manches et, Warrend, Nottingh, Rearing, refers, Womand, Southarrest, Lends of Grove, Wind, London	ster k um chester imptou m, W	Merchant Parrister Gentleman	30 10 5 10 6 6 10 23 30 5 5 27	200 200 200 200 200 200 200 200 200 200	111111111	CALL LABOUR DESCRIPTION OF THE PERSON OF THE
							D	EBEN		_	_
		cespts. Fo	h As	pount	Date	1	aymests.	Fo.	Am	out-	_
Date.  19 3tar 2 2 3 4 4 4 3	To APP	lication A'c- dams, R. E rady, A. coper, W. S. auryon, C. T. Ilis, H.	1,259 409 249 249 249 249 249 249		19 10 31ar 10		probation Aff Cooper, W.S. Jfires, T. I ransfer to Ge- eral Cash B		£ 240 250 5,280		4 :

EXERCISE XV (A)—No 9.		REGI	STER OF TRAN
	TRANSPERSON S		
Date Trans-	Apowers.	Осопрация.	Deb. NAME.
	61 Carnaby Street, Permanghan 25 Paraaby Gdns., Bunchester 25 Suwart Pand, London, Winchester 25 Suwart Pand, London, Winchester 25 Suwart Pank, Winchester	Gentleman	Dawson, C. T. Ellis, H. Forster, P. O. Ellis, H. Burnaby, James

### AND ALLOTMENTS BOOK

No of Debs Allotted	Distir Num From		Fo	Amou Due o Applesa and Allotes	n tioq	Bala Due Allot	on	Cash or Allot	1	Ca Retur	sh	4	Remarks
20 10 10 5 5 5 5 10 20 5 nil 5 13	1 21 31 35 41 46 56 78 81	20 30 35 40 45 55 75 80 85		2 000 1 000 500 500 500 2 000 2 000 500 1 500 1 500		£000 600 100 260 260 600 1 000 100 300 700		600 600 100 250 260 1000 1000 300 700		€ 240 200 £440	-	d -	Letter of Regret No S

Date	Recespts	Fo	Αп	levoc		Date	Payments.	Fo	Arr	ount	
19 Mar 30 to Mar 20	To Allotment A/c— Brady A Adams R E Dawson C T Ellis H P O Goodwin E Howard C E Iving W Lockwood M Taylor L F		£ 600 800 600 260 260 100 100 100 700		-	19 Mac 20	By Transfer to Gen eral Cash Book		£ 4 720	-	

### FLRS (DEBENTURES)

TRANSPERED S		D	RBEALI KE	ERRED		
Aportes	Occupation	No of			Amount	Remarks
		Dabs	From	To	Paid up	
14 Windsor Road Manchester 21 Crofton Street Watwick 12 Penton Road Vott ngham 21 Crofton Road Watwick 112 Lemin 54 Vorthampton 95 Bromley Road Newcastle	Architect Solicator Artist Sof citor Merchant Engineer	55555	1 56 86 61 6	5 60 90 65 10 95	500	

### EXERCISE XV (A)-No II

My friend on my advice, would invest his £1 000 in 6 per cent Cumulative Preference Shares for the following reasons—

- Preference Shares for the following reasons—

  (a) Cumulative Preference Shares have a prior claim for a dividend on profits
  - (b) Arrears on dividends must (if profits warrant it) be paid
- (c) Such shares often carry a claim noon Assers (after other creditors have been met) before other classes of shareholders are considered

	A \$ BOOKS	
Dr	Goods Account	Cr
	Jan 2 By B	£00 -
Dr	Bs Account	Cr
19 an 2 To Goods Bank Bank Interest	600 7 4 P Pab 2 By Bulls Receivable (6 mos ) May 28 June 2 P Bulls Receivable (6 mos )	£1 205
Dr	BILLS RECEIVABLE	Cr
19 reb 2 rone 2 To B	f 600   s   d   Mar S   By Bank	600 =
	BANK ACCOUNT	Cr
Dr		
Dr  19 Sar 5 To B iis Receivable B	f   5   19   19   19   19   19   19   19	£ 9 5 d
19 May 28 To B IIs Receivable B	ANKER'S DISCOUNT ACCOUNT	9 9 1 -

### EVENCICE Dec (a) M. ...

EXERCISE	XV (A)—No.	12 (contd )		
Dr.		INTEREST ACC	DUNT	Cr
		June	Z By B	E <sub>S</sub> = d
EXERCISE :	XV (A)⊸No	13.		
Dr	ORDI	NARY BUSINES	S ACCOUNT	C+
19 To G	10% of £2 000 30% of £2 000 30% of £2,000	600 1 600 1 600 1 6200	By Profit and Loss A/e	2 000 - 4
			·	<u> </u>
Dr		VENTURE NO	1	Cr
19 To G	of £600 of £600 of £ of £5 600	f s f 19 342 17 2 257 2 10 400	By Profit and Low A/c Net Front	1,000
Dr		VENTURE No	2	Cr
To Pro	fit and Loss A/c et Lots	£ 2 £ 19	By H 45% of £500 — G. \$ of £275 — J. \$ of £279	225 - 157 2100 117 17 2 £500
Dr		G'S CAPITAL ACCO	DUNT	Cr
To Ven	ture No 2 anot c/d .	£ 5 £ 19 157 2 10: 985 14 4 £1 142 17 2	By Ordinary Bus. A/c	\$00 1 4. 800 17 2 £1,142 17 2

### EXERCISE XV (A)-No 13 (contd)

Dr	H s CAPITAL ACCOUNT	Cr
To Venture No 2 Balance c/d	f   19   By Ordinary Bus A/c   2725   -	£ 5 d 600 -

Dr		J's CAPITAL AC	COUNT	Cr				
19	To Venture No 2 Balance of d	f 3 d 19 117 17 2 739 5 8 4857 2 10	By Ord nary Bus A/c Venture No 1	£ 600 257 £857	-	10		

### EXERCISE XV (A) -No 14

### GENERAL LEDGER

C+  $D_{7}$ SALES LEDGER ADJUSTMENT ACCOUNT 1932 20 196 Aptil 1 1937 to To Balance 2 5 1932 By Cash 90 987 19 4 132 823 - 11 to 1933 71 5 Mar 31 Discount Bills Receivable 2 080 10 9 April 1 1933 To Credit Sales 22 800 Interest charged Mar 31 Returns Inward Bad Debts 4 875 16 6 2,209 13 2 78 8 11 30 303 17 8 To Bills Receivable 150 (dishonoured) Petty Cash Balance c/d Sundry Creditors 47 8 6 Balance c/d 50 6 £153 338 B £153 338 6 4 1933 1933 £30 305 |17 8 Appl I To Balance bid April 1 By Balance b d 50

Dr	Bought	LEDGER A	DJUSTU	ENT ACCOUNT		Cr		
193° April I to 1933 Mar 3I	To Cach Discount Petty Cash Returns Outwards B Its Payable Sundry Debtors Balance cfd	71 556 1716 11 226 1 1 39 6 1 5,203 17 23 850 78 811 11 571 13 1 1 11 1571 13 1	1937 April 1 1937 April 1 to 1933 Var 31	By Balance Purchases		£ 12,375 101 150 £113 576	7	9
			1933 April 1	By Balance	b/đ	11 571	19	,

### EXERCISE XV (A)-No. 15

See Section 24 of Partnership Act set out on pages 377 and 378 of Advanced

Accounts

In applying the above to the case under review, the f3.000 must first be reduced by 5 per cent of £2.000 (for 6 months), being Interest due to A's Loan The remaining profit must then be divided equally between A and B,

The A and B will each receive £1,475. The agreement between A and B that B should be paid a salary of £500 would mean that the salary would be a further reduction of Ner profit by that amount, hence A and B in the new circumstances would each receive £1,225.

### EXERCISE XV (A)-No 16

### IOURNAL OF A. B AND C

	JOURNAL OF	α, ν	AND C				_
1936 Jan 1	Land and Buildings Capital Accounts—	Dr	1,200	5	£	s	d
	A (\$ of £590) B (\$ of £590) To Bad Debts Reserve		354 236	1	390	-	-
	(S per ceut of £7,800)  " Plant and Machinery " Stock " Patents				320 780 300	-	:
			£1,790	F	€1,790	7	-
Jan 1	Goodwill Account  To A = Capital % of £8,000  "Bs., % of £8,000  "Cs., % of £8,000.	Dr	8,000		2,880 1,920 3,200	-	:
			£9,790	4	€9,790	1	*
Jan 1	Bank Account To C's Capital A's (\$ of [3,200] B's (\$ of [3,200]	Dτ	8,209	-	5,000 2,400 800	-	-
Jan 1	A's Capital (‡ of £3 200) B's , (‡ of £3,200) To Bank	-	2,400 800	-	3,200	-	_
			£21,190	Ţ	£21,190	-	=

### KEY TO ADVANCED ACCOUNTS

### EXERCISE XV (A)-No 16 (contd)

(Alternative Solution)

JOURNAL.

jan 1	Land and Buildings To Re valuation Account Agreed increase in book value of land	1 200	s d	£ 1 200	5
	and buildings *Re valuation Account To Plant and Machinery Stock Patents Reserve for Bad Debts	1 790		320 780 300 390	
	Agreed reduction in book values of assets and reserve for bad debts A Capital Account B Capital Account To Re valuation Account Division of loss on re valuation	354 236	-	590	
	Goodwill To A Capital Account B Capital Account C Capital Account Introduction into books of value of Goodwill divided in ratio to divi	8 000		2 880 1 920 3 200	
	sion of profits as agreed Bank To C Capital Account A Capital Account B Capital Account Cash brought in reduted to respect ive partners as agreed 1 e 5500 to C and remainder to A and B in ratios of 3 1	8 200		5 000 2 400 800	
		£19 780		£19 780	

it on page 327	783	802		- 108'17		2 - C - C - C - C - C - C - C - C - C -	#	25 365	431	28.5 5.6 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	
EXERCISE XV (A)—No. 17.  The disterences between a Receipts and Payments Account and an Income and Expenditure Account are set out on page 327.  The disterences between a Receipts and Payments Account and an Income and Expenditure Account are set out on page 327.  THE SOCIETY FOR THE ENOURAGEMENT OF GOOD BOOK-KEEPING  Of	Dy INCOME AND LATERDUTION AND LATERDUTION AND LATERDUTION AND DESCRIPTIONS AND DECEMBER 1 of 1 of 1 of 1 of 1 of 1 of 1 of 1 o	100	Supe of Literature 18 May 100, 120, 120, 120, 120, 120, 120, 120,	Parents Printed and Printed State Control of the Co	BALANCE SHELT AS AT 30TH APRIL 1938	Assets	Supercriptions (1983 59 pald on advance 1989) 20 - Cotta in hand 199 Rest court, Balance in 1889 1997 1889 - Cotta in the 1990 1889 1889 1889 1889 1889 1889 1889	e for the year	1 per cent Compo	-	cca.13
	,										

### EXERCISE XV (B)-No I

### TOURNAL

			_	_		_	
	Ordinary Shareholders To Ordinary Share Capital 200 000 shares of £1 each	200 000	s	đ	£ 200 000	s	d _
-	Debenture Holders To Debentures 800 bonds of £100 each	80 000	-	-	80 000	-	-
		1280 000		_	£280 000	Ξ	E

### CASH BOOK (Debit Side)

		Bank
19	To Ordinary Shareholders Debenture Holders	200 000 s d

### TRIAL BALANCE

Ordinary Share Capital Debentures	£ s d £ s d 200 000
Cash at Bank	280 000
	[£280 000] [ - [£280 000 [ - ] -

### EXERCISE XV (B)-No. 2 (contd)

### BALANCE SHEET

CAPITAL AND LIABILITIES Orlinary Shire Capital— 200,000 Shares of fi each Debectures— 800 Bonds of f100 each	£ 200,600	2 2	PROTERTY AND ASSETS. Cash at Bank.	289,000
	(280,600	45		£230 000   -  -

### EXERCISE XV (B)-No z.

### TAZEROI

	JOURNAL			_		_	
19	Preference Shareholders To Preference Share Capital 200,000 shares of if each To Premium on Shares Account 28 6d per share on 200,000 shares	225,000	5	4	200,000 25,000	5	<i>d</i> -
	Debruture Holders To Debeatures (89,000 same of debentures To Debeature Premsum A/c 8% of £80,000.	£4,000	-	17	80,000 4,000 £309,000	-	

### CASH BOOK

### (DESIT SIDE)

	(DESI:			 
				Bank.
19.	To Preference Shareholders ,. Debeuture Holders	•	:	225,000

### EXERCISE XV (B)-No 2 (contd)

### TRIAL BALANCE

Preference Share Capital		£	s	đ	200 000	5	a
Premium on Shares	_	li .			25 000	١.	۱.
Debentures	•	J)			80 000	i	
Debenture Premium		l i	1	Ш	4 000	_	١-
Cash at Bank ,	•	309 000	-				ĺ
		£309 000	1	-	€309 000	-	-
			-	-			-
		li .	ı		ŀ		١.

### BALANCE SHEET

CAPITAL AND LIABILITIES Professore Share Capital— 200 000 Shares of £1 each Share Premium Account Debenkures	£ 200,000 25,000 80,000	3	d	PROFESTY AND ASSETS Cash at Bank	309 600	-	ď
Premium on Debentures A/e	(309 000	-	-		£309 000		Ξ

### EXERCISE XV (B)-No 3

### JOURNAL.

19	Debenture Holders Debenture Discount To Debentures For issue of 480 000 debentures in bonds of 4100 each @ 490 per bond	76 000 4 000	5_	d	€ 80 000	5	đ
	•	£80 000	=	_	₹80 000	=	ŀ

# EXERCISE XV (B)-No. 3 (contd) CASH BOOK

(DEBIT SIDE)

19.,	To Debenture Holders			. 76 000 s d

### TRIAL BALANCE

Debentures Debenture Discount Cash at Bank	:	: .	£ 4 000 76 000	s d	80,000	5	d
			₹80,000	<u> </u>	£80,000	_	_
		- 1	ĭ ·	11	1i	t i	ľ

### BALANCE SHEET

CAPITAL AND LIABILITIES Deletions— 800 Bends of (100 each	£ 80 000			PROPERTY AND ASSETS, Cash at Bank Debeature Discount	76 000 4 000 £80 000	- 17	-
		7	7			'n	Г

### EXERCISE XV (B)-No #

	JOURNAL			_		_
19	Application A/c (Ordinary Shares). To Ordinary Share Capital 2/6 per share on 200 000 shares	25,090	\$	0	£ 25,000	5
	Allotment A/c (Ordmary Shares) To Ordmary Share Capital 7/6 per share on 200 000 shares	75,000	-	-	75,000	-
	Tirst Call A/c (Ordmary Shares) To Ordinary Share Capital 5/- per share on 200,000 shares	50,000		-	50,000	-
	Final Call A/c (Ordinary Shares) To Ordinary Share Capital S/- per share on 200 000 shares	<b>50,0</b> 00	1	-	50,000	
	1	£200 000	4		£200 000	1

### CASH BOOK (Debit Side)

19		25 000 75 000 50 000 50 000	-	a		
	TRIAL BALANC	E	_			_
Ordinary Cash at	r Share Cap tal Bank	£ 200 000	s d	200 000 /200 000	5	d
						_
	BALANCE SHEE	ET		- 10	_	,
CAPITA Ord nary S 200 000 :	LAND LIABLY ES ( e d Propagation Cash at Paganaga at P	erty and A Bank	952.76	200 000	1	4
EXERC	ISE XV (B)—No 5				<u>.                                    </u>	_
19	Application A/c (Preference Shares) To Preference Share Capital per share on "00 000 shares To Share Premium A c 2/6 per share on 200 000 shares	75 000	s d	£ 50 000 23 000	5	4
	Allotment A e (Preference Shares) To Preference Share Capital 5/- per share on 200 000 shares	50 000		50 000 000 0€		
	First Call A/c (Preference Shares) To Preference Share Capital 5/- per share on 200 000 shares	<b>50 0</b> 00		50 000	-	
	Final Call A/c (Preference Shares) To Preference Share Cap tal s - per share on 200 000 shares	<b>20 0</b> 00	-	50 000	-	
		€225 000		£225 000	3	Ī
	1	1 1			_	_

### EXERCISE XV (B)-No. 6 (contd)

CASH BOOK

		Bank
19	To Application Account (Debentures) , Allotment Account (Debentures) , Call Account (Debentures)	£ 5 - 16 000 24 000 40 000 -

TRIAL	BALANCE
-------	---------

	 141	AL DALAL	NCE.			
Debentures Cash at Bank	:		£ 80 000	\$ d	80 <sup>£</sup> 000	s d
			₹80 000		€80 000	3

### BALANCE SHEET

	DALA TOL OHI ET	
CAPITAL AVO LIABILITIES Debotates— 800 Bonds of £100 each	## S0 000 - Cash at Bank 482275	\$0,000

### EXERCISE XV (B)-No 7

### IOURNAL

	JOURNAL						
19	Application Account (Debentures)	16 000	s	đ	£	s	d
	To Debentures 10% of 480 600 To Debenture Premium A/c				8 000 8 000	-	-
	Allotment Account (Debentures) To Debentures	72 000	-	-	72 000		
	90% of £80 000	£83 000	-	-	£88 000	-	-
		-	٦	۲	£00000	۲	j

### EXERCISE XV (B)-No. 7 (cortd)

### CASH BOOK

	(DEBIT Side)					_
	t			Bank	٠.	
19	To Application Account (Debentures) Allotment Account (Debentures) .	:	:	16 000 72,000	5	d

### TRIAL BALANCE

		MAY	B 11	 CF.				_	
Debentures Debenture Pretatum Cash at Bank		;	:	£ 88 000	5	d	60,000 8,000	-	

### BALANCE SHEET

CASTTAL AND LIABILITIES Debenture— 800 Bonds of \$100 each Debenture Pennum Account	50 000 - Cath at Eack . ASETS.	88,000 ± 4

### EXERCISE XV (B)-No 8

### JOLRNAL

19	Application Account (Debentures). To Debentures £20 per boad on 800 bonds of £100 each	16,000	s d	16,000	5 0	-
	Debenture Discount Account To Debentures 10% of £80 000	8,000		8,000		-
	Allotment Account (Debentures) To Debentures Balance of amount due, 1 e £72,000 - £10,000	56 000		56,000	-	
		£80 000	- -	£80 000	- -	•

### EXERCISE XV (B)-No 8 (contd)

	 	,			,	
					CASH	воок
_	 		$\overline{}$	_		

19	To Application Account (Debentures) Allotment Account (Debentures)	f s d 56 000
		172 000

### TRIAL BALANCE

120020					_	
Debentures	£	٠	d	80 <sup>±</sup> 000	5	,
Debenture Discount Cash at Bank	8 000 72 000					
	180 000			₹80 000		-

### BALANCE SHEET

	CAP TAL AND LEASILITIES Delimitures— 830 Bonds of £100 each	£ s d	PROPERTY AND ASSETS Cash at Bank Debenture D scount	72 000 8 000	4
,		£80 000		€80 000	_

## EXERCISE XV (B)-No 9

JOURNAL

19	Application Account To Share Capital Account 2/6 per share on 200 000 shares	25 000	s d	£ 25 000	s -	d
	Application Account To Allotment Account Transfer of 2/6 per share on 15 000 oversubscribed on application	1 875	-	1 875		-
	Allotment Account To Share Capital Account 5/- per share on "00 000 shares	>0 000	-	50 000		-
		£76 873		176 815	_	Œ

Dr	CASH BOOK	Cr	
To Appl cat on Account (20 000 2 6 s) Albitment Account ((50 000 less £1,87s)	By Appheatons Account (1500 *65 returned to New Accessial appli	75 000 76 875	1 1

	Journ I	_			_			
19	Application Account To Share Capital Account 2/6 per share on 200,000 shares		25,000	5	ď	£ 25,000	5	2
	Allotment Account To Share Capital Account 2/6 per share on 200 000 shares		25,000	-	-	25,000	-	-
	Call Account To Share Capital Account 5/- per share on 200,000 shares	:	50,000	-	-	50,000	-	-
			£100 000	-	~	£100,000		Ξ

### CASH BOOK

	Į DE	BIT 3	SIDE)					_	-
19.	To Application Account ,, Allotment Account ,, Call Account (£50 000 + {£100 pa in zereārs})	: ad in	advan	ce, les	s£62/	1	25 000 25 000 50,037	L	L
	i					h	£100 037	10	1 -
	1					- 1	-		-

### BALANCE SHEET

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ef ( i code   3-4,000   1   1   1   1   1   1   1   1   1	Lianuities Amendi Capital 250 000 Shares					ASSETS	(	s d	100 037 10 -
of 0. called 100,000 = 1, 100,0	of £1 each Issued Capstal	250,000		J	Ш				
Advance 100 - 100,100 - 100,100 - 100 037 10	of (1	100,000		i	П		!		
Les Calls in 62 10 100 037 10	Advance	100	H	- (	11	( )			
	Less Calls is Arrears	11. '	10 -1		IJ	[ ]		H	
			i I i!-			[ ]			£100 037 10 -

### EXERCISE XV (B)--No II

IOURNAL

	1001213		_		
19 June 30	Application A/c (Ordinary Shares) To Ordinary Share Capital 5/- per share on 100 000 shares To Prenium on Shares A/c	20,000	s d	£ 25 000	s d
July 15	5/- per share on 100 000 shares	75 000		75 000	
		£125 000	3	£125 000	Œ

EXERCISE XV (B)-No 12

THE BLARNEYSTONE DIAMOND SYNDICATE LTD

JOURNAL

19 Jan	2	Application A/c (Ordinary Shares) To Ordinary Share Capital 5/ per share on 20 000 shares	5 <sup>£</sup> 000	s	ď	£ 5 000	8	ď -
	2	Application A/c (Preference Shares) To Preference Share Capital 5 - per share on 8 000 shares	2 000			2 000		-
Feb	1	Allotment A/c (Ordinary Shares) To Ordinary Share Capital 10/ per share on 20 000 shares	10 000			10 000	-	-
*	1	Allotment A/c (Preference Shares) To Preference Share Capital 10/ per share on 8 000 shares	4 000	-		4 000		-
Mar	1	First Call A/c (Ordinary Shares) To Ordinary Share Capital 5 per share on 20 000 shares	5 000	-	-	5 000	-	-
-	1	First Call A/c (Preference Shares) To Preference Share Capital £2 per share on 8 000 shares	16 000	-	-	16 000	-	-
			£42 000	Ξ		£42 000	Ξ	-
				Ш	_ 1			Ľ

### EXERCISE XV (B)-No. 12 (contd)

(DEBLT SIDE)

		Bank
19 Jan 2 " 2 Feb 1 " 1 Mar 1	To Application Account (Ordinary Shares) Application Account (Preference Shares) Allotment Account (Preference Shares) First Call Account (Ordinary Shares) First Call Account (Preference Shares)	\$ 5,000 8,000 3 200 13,000 134 700

The amounts unpaid were as follows— Ordinary Shares, £3,899 Preference Shares, £3,500

### EXERCISE XV (B)-No 13,

BALANCE SHEET OF THE BOSCOMBE MARGINGTURING CO LTD

Control Area Lansaurus 2006 35, Preference Shares 2006 35, Preference Shares 2007 35, Preference Shares 2007 35, Preference 2007 35, Preference 2007 35, Preference 2007 35, Preference 21, Professor 21, Preference 21, Preference 21, Preference 21, Preference 21, Preference 21, Preference 21, Preference 22, Preference 23, Preference 24, Preference 24, Preference 25,	209 2 791	19 990 13 495 3 000 2 473 3 000	Brothery and Astron Lear Depreciation Stack in trade Study Policy Lear Base Drobe Reserve Cash at Base International Computed International Computed	8,750 577 6 366 800	6 060 6 134 12 000 148
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### EXERCISE XV (B)-No. 14

The student should compare his own effort with the model set of Final Accounts on the following two pages. That is the answer to No. 15, but will serve equally well for the two questions.

# EXERCISE XV (B)-No 15

# W PEARSON & CO LID

Dr TRADING AND PR	TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19	R 19	1	Ċ	1
To Stock 1st Jan Purchases Carrage and Cartage Carrage and Cartage Mandacturing Wages Balance Gross Profit c/d Rates and Taxes Trade Lapines Offer Expenses Debrature Interes Bad Debts Res (8% of 26 40) Bad Debts Res (8% of 38 400) Bad Debts Res (8%	f   f   d   8   60   s   d   38   50   s   d   38   50   s   d   38   50   s   d   38   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   50   s   d   58   d   5	9	8	6820 6820 6820 69670 6225 6225 6225	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
$D_{T}$	APPROPRIATION ACCOUNT		-	Ů	1
To Reserve Fund Balance to Balance Sheet	£   z   d   1   000   -   By Profit and Loss Account   1   1   1   1   1   1   1   1   1	3	"e	2 956	# i

62 956

# EXERCISE XV (B)-No. 15 (toutd)

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	s d 11,500 s	5,400	3,458	0551		6 28 518
	3,000	3,640	1,150			
	<del>-</del> -	<del>باب</del>				
BALANCE SHEET AS AT 31ST DECRMBER, 19.	PROPERTY AND ASSESS, Treehold Premises Machinery and Plant	Less Depreciation Stock Sundry Debtors	Loss Bank			
17	\$ 4		4.500	777		
4			- :	000		8
SHEK	<b>3</b> 0		4.500	5,000 1,960 252	1,956	28,518
변	A .	177		7		4
3	to 1	1				
R R	\$0 000	15,000	000,1	1		
	CAPITAL AND LABILITIES Nominal Capital. 50,000 Shares of £1 each	30,000 Shares of £1 each, 10/- called 15,000 Less Calls in Arrears	Morgage L misures— 45 5% Boulds of \$100 each .  Masserve Flund of \$100 each .  4 600  Add Transfer from Frofts and Loss, 1,000	Sundry Creditors Unpaid Dividends	Profit and Loss Account— Balance available for distribution	

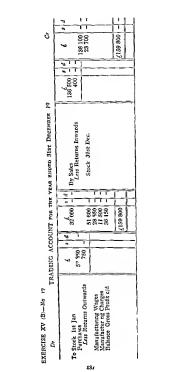
MISSES P PINK AND B BROWN EXERCISE XV (B)-No 16

MBER 19 Cr	14.15 1.25 1.25 1.25 1.25 1.25 1.25 1.25 1		80 s d d d d d d d d d d d d d d d d d d	1164
)-No 16 MYSSRS P PINK AND 13 BROWN TAMBLE AND DESIGNATE AND LOSS ACCOUNT FOR THE YEAR RINDED 31ST DECEMBER 19	Ply Six a. Structural throated Six k Sixt December 5.  Six k Sixt December 5.  Six k Sixt Sixt Sixt Sixt Sixt Sixt Sixt Sixt	CURRENT ACCOUNTS	Balance at Cred t Add Interest o Cap tal Add S are of Profit	Less Draw n,s
PINK COUNT 1	2 3 0 0 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	KRENT	-	3
SP	20 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	ð	-	FOR 13
SSR	1		-	
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EXERCISE XV (B)-No 16	He Jan  Friedrich Großer  Frie		Bal cr at Crebi Add Feters in Caprile Add S re Proil	lespen gs

EXERCISE XV (B)-No. 16 (contd)

I MESSRS P PINK AND B. BROWN

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	Sanitaria and	_
	2,934 2,934 840	
BALANCE SHEET AS AT 31ST DECEMBER 19.,	Cash as had deserts count at Bank Markettenst, and Hillyqua's Drudensis due And Bank Market 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies Furnium 1800 Chies	
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SHEET	5 200 ( ) 1,521 ( ) 2,000 ( ) 1,521 ( ) 2,000 ( ) 1,521	
#	A 111 111 A	
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BAL	3,600	
- 1	1.7.7.	
	′	
	Rant Owns LARBILITES Cologia Account County Bridge	



PROBIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19., EXERCISE XV (B)-No 17 (contd) â

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7 s of 30,100 s				7 38 150
d By Trading Account 1yld .	· · · · · ·		-7-	<del></del>
41111	11111	<del></del>	00	
6,850 250 2,640 1,500			3 303	
6,850 250 2,640 1,500	286 386 386 386 386 386 386 386 386 386 3	1 1, 1	3 303 10 18 261 10	036,150
s d 6,850 250 2,500 1,500	28.888	11 9	3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	
6,850 250 2,640 1,500	286 386 386 386 386 386 386 386 386 386 3	1 1, 1	3303	
6,850 2,850 2,850 1,500 prepart	2 624 2,600	% or £5 000) \$000 - 500 - 5000   5000		
6 8 d 6,850	28.888	2 136 667 10 -	Balance, Net Profit c/d	

(contd)
17
(B)-No
×
EXERCISE

O TNU	19. Profit and Loss Account bod   2   4   4   750   5   4   750   5   6   750   5   7   7   7   7   7   7   7   7   7	61	PROPERTY AND ASSETS  22 280 c d d			1	ts Resurve	150 - 150		!
APPROPRIATION ACCOUNT	s d 1	NCE SHEET AS AT 31ST DECEMBER	al & s d La	-	- 000 06	7 500 - Stock	23 750 - Less Bac 500 -	2 826 3 Cash at Bank in hand	14 685 7 - Insurance prepaid	
	<i>S</i> 2	BALANCE	3 000	Pho not	2 000	2 500				
Dr.	To Remuneration to Mang. Director (10, of 4/19 201/10)   Reserve Find   Balance to Balance Sheet		CAPITAL AND LIABILITIES Nominal Capital 15 000 Ordinary Shares of £10	Issued Capital -	each fully paid Reserve Fund	Loss Lansier from Front and	Sundry Creditors D rectors Fees Outstanding	tion Profit and Loss decount	Balance available for distribu	

18,
(B)-No.
ķ
EXERCISE

	EXERCISE XV (B)No, 18,  Dr. TRADING AND	PROFIT	188	~ 7	THE SE	BR	VV0	Z 2	J-No. 18. THE BROWN BOX CO. L'ID TRADING AND PROHI AND LOSS ACCOUNT FOR THE FRAM ENDED 31ST DECEMBER, [9]	63			Ò	
	To Stock, 1st Jan , , , , , , , , , , , , , , , , , , ,	7 23	- 25	4 80	1,929	4.2			7 By Sales Loss Returns Iowards . 150,124	720	440	3		-2
	Carried Banal actions Wages Balance, Grens Profit eff	1			2025 3014 344	3223		+000				1,721	==	<b>→</b> 65
	To Extes and Taxes , Las Abount unexpred	22	22	~:	11,745	1.1.	0	<del></del>	By Trading Account b/d		-	3344	2 00	1-1-
44	Trado Expenses Lifetains and Herung Expenses General Expenses Solaries Less Amount unexpered Less Amount unexpered	8,5		619		88253 80253	5-454	* ***				2		•
0	in Directors' Fees Bank Capetal Seators (addition three to) Develoration Seators (addition three to) Formitties and Fixtures (5), of (see 10) Find and Statemery (10), of (2), or (2), or (2), or (3), or (4),	722	975	91	~~~~	885E 5148	0100							
	, Balance, Net Profit c/d ,				312 1,928 (3 887	!		*0 0				G 357	''	Î
	Dr.		1	1	4	PRO	E .	1) 8	Автноридацом Ассолит	-			110	1
	To Preference, Share Dividend Ordinary Share Dividend Balance to Balance Sheet		*****	ų	*	2,113 2,113 12,100 13,100 10,1	4772 P	277777	By Rutaner from previous year , , , Profit and Lors Account b/d , , ,		4		258 928	#45

EXERCISE XV (B)-No 18 (contd)

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8	4
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BROWN	Of Pr
E :	,
THE	

	BALA	NCK	SHEE	Y VS	٦	BALANCE SHEET AS AT 11ST DECEMBER 13	1	1		-	- 1
CAPITAL AND LIABILITIES	7	s B	7		s g	PROIERTY AND ASSETS Freehold Land and Buildings	3 700	ا ب	<b>₩</b>	s A	~
\$ 000 6% Preference Shares of £1	5 000	1				Less Depreciation	727	0 10	3 607 10		1
5 000 Ordinary Shares of £1 cach	2 000	÷	_	_	_		172	1 1	1 554 15	-	CI
7	000 01 7					Purniture and Fittings Less Depreciation	946	6 10		-	
3 000 6% Preference Shares of £1	- 5					Stock Subtore	3 764 17 10	2	22.	3 6	၁၈
4 800 Ordinary Shares of £1		-				ts Reserve	400	<u>'</u>	3 364 17 10	=	0
fully paid	Re #	-+	7 800	9	-1.	Cash at Bank	822	1.0		-	
undry Creditors		_		7	_		1	:	885	7	ω
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1   1   1   1   1   1   1   1   1   1	CERCISE XV (B)-No 19 Dr. TRADING AND PRO	THE OIL A	CHE	SIII	Acco	A PE	5 6	-No 19 THE CHESHIRE MANUFACEURING CO LED TRIE CHESHIRE AND PROTIT AND LOSS ACCOUNT FOR THE YEAR ENDED SIST DECEMBER, 19.	DRCE	MBF	6.	-		5	11
1 9 3)	-	-	-	7 = 5	-	4		Stock 31st Dec			-			-	م
7 77 75 75 75 75 75 75 75 75 75 75 75 75	-	9 371	_	_		_		Las Tools, 1st Jan		=1		_!_	248		<u> </u>
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THE CHESHIRE MANDENCTURING CO ITD EXERCISE XV (B) No 19 (could)

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BALANCE SHEET AS AT 31ST DECIMBER 1.3	Loss Deprecation	Plant and Machusery Levs Depreciation	Loose Tools Goodwill	10 000 - Stock Sundry Debtors Less Bad Debts Res £400	Discount Reserve £1 195		1 5.25 to date	- 09	16938
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200	5				<del></del> -		-1	-	
BALA		100 000	6150 000		50 000 250		9 160 229		
	CAPITAL AND I IABILITIES Nominal Cipital— 5 000 Preference Shares of £10	each 10 000 Ordinary Shares of £10 each		festing Capital— 5 000 Preference Shares £2 called up	10 000 Ordinary Shares 25 called up Less Calls in Arrears	50, Mong us Debantures— 150 Bonds of £100 each Debenture Interest accrued	Bank Overdraft Sundry Creditors I ess Discount Reserve	Reserve for Wages	

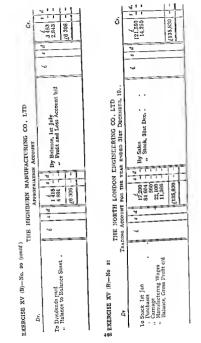
THE HIGHBIRN MANIFACTIBING CO LTD

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1 6	/ Sales Less Returns Inwards	•		By Trading Account b/d								
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	1 2 5	I ess Returns Outwards . ages . dance, Gross Profit c/d .		200	avening Lypenses tverpang nnts Rates Taxes and Insuce Less Insurance paid in advance	122	i o c	Less Old Reserve	Preciation— Fixtures and Littings	Machinery and Plant	ě	
ĝ	Stock, 1st Purchases	I ess Returns Outward: Wages Balance, Gross Profit c/d		General	Advertising Lypenses Advertising Rents Rates Taxes and Insuce Less Insurance paid in advance	Discount Brank Interest and Commission Bad Debts	Debenture Interest Bad Debts Reverse	4	ફેલ	X	Balance, Nur Profit c/d	
Q				To General Trade Charges		amai	42		- Debreciation -		1	
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EXERCISE XV (B)-No 20 (contd.)

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	EF (	3	ğ	Smr	-	BALANCE, SHILL AS AT 30 CR JUNE 19	JNL 19			1		1	
CAPTAL AND ITABILITIES	**	ps		3	<b>'u</b>	Premiers	PROPURTY AND ASSLTS	47	*tt		12 450	- tg 1	<b>ts</b> 1
40 000 Orthury Shares of £1	40 000	-1			_	Machinery I ess De	Machinery and Plant I ess Deprecation	18 750	11	17	920		
A0 000 Ordinary Shares of £1	90 %	-	,—-			Loss De	Extures and Futings Loss Depreciation	3750		111			
lest Cills in Arrears	502	1	- 3	902.00	_	Stock,		9		=	0000 9	_	ı ı
D bent vis-		-	=	200	_	Jess B	I ess B id Debts Reserve	912		77	5		
Reservo Fund Sundry Cre litors				2,28		- Cash at Bank	ank und	1 427	1	1	5		•
Tropi and 1083 Account— I alrace available for distribu tion			~	4 891   ~	-	Insurance prepaid	prepaid			~~	<del>2</del> 8	- 1	1.1
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tente for year 189		Rates Taxes and Insurince Trade I vpences	_	721	-	Routs Receivable				5/4	1
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		Bylince Net Profit cod	İ								
APPROPRIATION ACCOUNT				11 740	- 1				121	740	1 1
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105.57	l ŭ:	Reerie Lund Blince to Dilance Sheet	49	1 500	4 1 1	By Prufit and Loss Account	3			507	
				£ 507	Ļ.			=	150	792	

EXERCISE XV (B)-No 21 (contd)

THE NORTH LONDON FNGINFERING CO LTD.

BALANCE SHEET AS AT MET DECEMBER, 19.	Activities & & & & & Droverty and Assers & & & & & & & & & & & & & & & & & & &	Machinery and Plant Less Deprecation .	30 000 - 111 Less Deprecation 180 - 111		1 500	1 0000	tribution + 007	7 01730
BALANCE	CAPITAL AND LIABILITIES & 6 of Nominal Copilel 100 000 Ordinary Shares of £1	900 001		a Morigage Debeniures— 50 Bonds of £100 each Debeniure Interest accrued	r from Profit & Loss	Holdnest Bank, Ltd (overdraft) Sundry Creditors Unpyld Dyvidends	Dal available for distribution	

EXERCISE XV (B)-No 23

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Date	

(Ad littorn) columns for (1) Discount and (2) Returns and Allowances may be inserted at the discretion of teachers)

ERCISE	ΔV	(D)—No. 2	4			
		E	F	&	co 's	LEDGER
Ph				*		

Dr J J & Co	Cr.		
10 To Sales	£354	11	

1 Interest (3 mon. @ 5%)	4 7 6 4 (334 11 6	£354 II
Dr	CASH ACCOUNT (Bank Column)	Cr

Dr	(Bank Column)	Cr
19 Mar 15 To Bills Recei	vable 19 Nanker s Discount () of £14/3 s)	f 15
Dr	BILLS RECEIVABLE ACCOUNT	Cr

Dr	BILLS RECEIVABLE ACCOUNT	Cr
Feb I Toff&Co	19 19 By Cash	∯54 11 d

Feb 1 Tojj&Co	f 1 d 19 By Cash	354 11
	J J & CO'S LEDGER	

Feb 1 To J J & Co	754 11 6 Mar 15 By Cash	354 11
	J J & CO'S LEDGER	
Dr	E F & Co	Cr
Feb 1 To Built Payable	354 11 6 Feb 1 By Purchases .	\$ 0 7 6

Dr	J J & CO'S LEDGER E F & Co	Cr
Peb 1 To Bulls Payable	5 1 1 6 1 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1	£ 350 7 6 4 7 6 4 7 6 4 7 6 6 6 6 6 6 6 6 6 6

Feb 1 To Bills Payable	354 11 6 Feb 1 By Purchated Interest Stamp Duty	£354 11 6
Dr	Case Book (Bank Column)	C+
	19 War 1 By Bills Payable	324 (1 6

Dr	(Bank Column)	C+
	19 Mar 1 By Bills Payable	354 [1]

Dr	CASH BOOK (Bank Column)	Cr
	Mar 1 By Bills Payable	304 II 6
Dr	BILLS PAYABLE ACCOUNT	Cr
19	Salu S Feb I By E F & Co	334 11 6

# EXERCISE XV (B)-No 24 (contd)

## FORM OF BILL

# No 24 DUE DATE 4th May 19 LIVERPOOL 4334 11 6 STAIP Three months after date pay to our order the sum of Three hundred and fifty four pounds eleven shillings and suppose for value received

To J J & Co Manchester  $S_{ignatures} \begin{cases} E \\ H \end{cases}$ 

# EXERCISE XV (B)-No 25

Dr CONSIGNMENT ACCOUNT Cr (Consignment of Steel to Smith & Co of Welbourne per S S Orink)

			-			d .	Ė	$\overline{}$
19	m. c	623	8 3	19 Dec 31	By Smith & Co	£40		4
	To Goods on C me t (a) tons Steel@[12])	6.3	[ ] [	Dec 31	(as per A/s)	000	1	ĭ
	Cash (Fre sht on above	3	10	31	Stock of Iron (10 tons Steel @	175		۱-
	@ 10/ )	1	1 1	l I	£121 c/d)	B	1	
Dec 31	Smith & Co & Charges	48	15	31	Expenses c/d (2 of £37/10/ )	7	10	1-
31	Balance (Proyst)	61	5	1	(§ 0: £31/10/ )	1	1	i
	ļ	€72	10	1	1	£772	10	,
Dec 31	To Balances b/d-	_	-	1	Ì	-	Г	۳
	Steel £125 Expenses 74	ł	11	1	1	1	ı	i.
		132	10	ff .	i	ii .	ľ	ì

# EXERCISE XV (B)-No 26

D	r PROF	IT AND LOS	S ACCOUNT	C <sub>7</sub>
19	To Interest on Cap A es Partmenship Salary Balance (Divisible profit)	( 310 430 1 800 1 800 1 2 1 19	By Balance	2 510 # d

This Account has been raised to show how divisible profit is arrived at it is NOT part of the question

(a) An Appropriation Account is an extra subdivision of the Profit and Loss Account It is designed to show how the profit of the year is appropriated. The account subjoined sho is on its debt side to what purposes the profit of the company has been appropriated. This account is raised only in connection with joint stock companies.

Dr	APPROPRIATION ACCOUNT	Cr
To Preference Share D vidends Ord nary Share D vidends Nana n Derectors Remuner, (3°) of £8 000) Superannuat on Fund Balance to Balance Sheet	1 500 By Balance brought forw December last vear Concrent Year's Proof 6 00 6 500 G 8	s oo

Preliminary Expenses and Goodwill are now generally viewed as capital expenditure and it is thought consistent practice to write off any values

relating to them through this account

(b) A charge against profits "is a term which signifies that the profit earned

in husiness has been secured by an expense inevitable to that result. For example a trader may receive a loan fromhis bankes of 3a, 500 at 5 per cent per annum. Now the purpose to which he applies that 500 will obviously be for earning profit in his business. Let it be suggested that the return to the trader on his investment of the bank loan in his business yields [100 profit then against this 100 must be offset the 225 for interest due to the banklers. Therefore the 425 is said to be a charge against the profit of [100 carned because the trader cannot reasonably conclude that he has agned 4100 whilst he is under an obligation in regard to the means by which he was able to secure that moome.

An appropriation of profits is a term used to signify that the available profit of a husiness may be set apart for creating special reserves providing for dividends and for writing down items of capital expenditure e.g. Goodwill

for dividends and for writing down teems of capital expenditure e.g. Goodwing.

The distribution of dividends is an example of the appropriation of profits
because their distribution can take place only then profit is available for the
purpose. This aspect may be made clearer if it be understood that in the
circumstance of a trade reverse the directors would be unable to declare a
dividend because of three hearing no available profit for the purpose.

(c) Assets which do not lead themselves to classification as being e ther fixed or floating are those which are not acquired as a means of earning income or for the purpose of trading with them 1 e converting them into

income or for the purpose of trading with them is converting them is cash or commodities or their equivalents

Examples of these are—

imples of these are

(1) Goodwall

(2) Preliminary Expenses

(3) Debenture (or Share) Discount

(1) Gooda III is acquired when a business is purchased as a going concern and it is represented by a price paid to the sendor in satisfaction of the profits normally expected to be associated with the business taken over This asset may be said to be of value to the new proprietors in the exact proportion to the changing values of the Trade Debtors taken over

(2) Preliminary Expenses are the initial costs incurred on the formation of

a business (see also Advanced Accounts page 534)

(3) Debent tre Discount arises on an issue of debentures by a company when the price at which they are issued is less if an their par value. The discount is the marsin of price below par at which they may be bought e.g. debentures issued at £98 per cent means that the £2 below par value of £100 is discount.

JOURNAL OF THE RAYON D'OR PUBLISHING CO, LTD

19 Dec 31	Profit and Loss Account To Appropriation Account For transfer of balance	11 400	=	d	( 11 400	5	a -
,, 31	Preference Stock Dividend Account To Preference Stockholders Income Tax For provision of dividends to stock holders at 6% less income tax @ 5/- in £	3 000	-	-	2 250 750		-
,, 31	Appropriation Account To Preference Stock Dividend A/c For transfer of balance	3 000	1-	-	3 000	-	
,, 31	Ordinary Share Dividend Account To Ordinary Shareholders , Income Tax For provision of dividend to share holders at 8% less moome tax @ S/- m ½	4,800	-		3,600 1 200		-
,, 31	Appropriation Account To Ordinary Share Davidend For transfer of balance	4,800	1	1	4 800	-	•
,, 31	Appropriation Account To Renewals Reserve Provision for addition to reserve	1 500	-		1 500	-	-
- 4	•	28 500	_	1	28 500	-	~

dend paid are to Balance Sheet	ist Jan —  rents sheet (nots sheet)  sheet (nots sheet)  es lurchas (fiers R  a Cohe used  not cones Profit e d	Tradica Account for the trad radio Sigt December 19	SS 870 1 d 6 5 d 1 1 d 1 d 1 d 1 d 1 d 1 d 1 d 1 d 1
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	700 ₹	25	80	7. 4 W	18
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THE WELSH MANUFACTURING CO LTD Balance Sheet as at 31st December 19	PROPERTY AND ASSETS Tremuses Less Depreciation	Plant and Machinery  Jess Depreciation	Fittings as d Lytiures Less Depreciation	Stocks— Materals Impshed Coods Sun frees	
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11 2	- F	1	_		_
W W	5	-			_
DAL	000 09 7				
EXERCISE AV (L)-No 3 (conta)	CAPITAL AND LIABLITIES Nominal Capital— 60 000 Shares of £1 each	Issued and Pand up Capital— 60 000 Shares of £1 each	(12/ paid up) Reserve Fun 1 Ystwyth Banling Co (overderit)	Islis Payable  Sundry Cre liters  Sundry Cre liters  Profit and Loss Account—  Balance as a lable for distribut on	

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COMMENTS UPON THE BALANCE SHREE LTC

£||56 101

Insurance Paid in Advance I ess Bad Debts Reserve

101 95

4 300 200

Sundry Debtors Bills Recen thle

459

It would appear that the Company is overtrading as the bank has been overdrawn. The item. Unished Goods. suggests life anticipat on of trade too far ahead The Bad Debts Reserve appears to be on too liberal a scale <u>668</u>

A dividend could not be considered as there is no available eash. The tien. Wages being SI per cent shows favourably in relation to turnover It is company is not rother?

4
(C)-No.
×
XERCISE

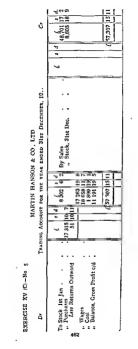
THE POSTFORD MANUFACTURING CO. LTD

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<i>y</i>	*			44 00	
ų.	472		492	371	-
To Stock, 1st Jan	To Reputs	Office Expenses Discount Salance Tokings and Titegrams Toking Trees The control of the	Interest and linth Charges Cost of New Lathlogues (§ of £300) Directors Trees (§ 0, of £9,847) , I'nd Debts Res (§ 0, of £9,847)	D. pretution— Loose Too's (20% of £1,956) Boiler and Herting Plant (10% of 592) Plant and Machinery	(10% of 15 654)

EXERCISE XV (C)-No 4 (conid)

THE POSTIONED MANUFACTURING CO LTD

		BAL	NCH	SREE	1 45	5	BALANCE STREET AS AT 31ST DECEMBER 19			-		- (	1
CAPITAL	CAPITAL AND LIABILITIES	```	s d	7	5 4		PROPERTY AND ASSETS	SETS	42	4	24 054	ומ	ر ج
40 000 5% £1 each	40 000 5% Preference Shares of	40 000			_	_	Plant and Machinery Less Depreciation		565	100	900		
10 000 Ordin	lary Shares of £1 each	000 02 F	┼				Boiler and Heating Plant Less Depreciation		592	14			
17 520 5% Pr	itued Capital- 17 520 5% Preference Shares of		1				Loose Too 9 Less Depreciation		1 656		932 16	5 4	
urpro 000 8 461	8 000 Ordmary Shares of £1 each	8 000	÷		=	_	Goodwill				000	7	
Less Calls	Less Cally in Arrears	25 520	-				Sundry Debtors Less Bad Debts Reserve		9 847	115		٠.;	
Mortgage I can on Prem ses Bank Overdraft	t on Prem ses		<u>-</u> -	222	7000	_	Cash in hand Repairs			├-	236	211	
Is its trayable Sundry Creditors Profit and Loss Account	rs Account			28	_	_	New Litalogues Less ‡ written off		000		- F		,
Balance 1st Jan Add Current Yes	Balance 1st Jan Add Current Year s Profit	208 4 053 17	7		4 950 12	_				_			
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Dr		APPRO	PRIAT	APPROPRIATION ACCOUNT				ڻ
D Preference DIV kend n. Or Innary Dividend n. Sheet I Reserve Account (25% of £5.37) Balance to Ead mre Sheet (25% of £5.37)	3	1.300 1.300	4 1111	By Ralance 1st Jan Freds and Loss Account		===	-	2 553 8 12 12 12 12 12 12 12 12 12 12 12 12 12

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CAPITAL AND LIABILITIES	_	70	,	- 4	=	Property and Acres	1	1	
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4 % Debenture Stock		_	18	8	-	2 750		-	
Special Revive Account		_		6 100	T	101		_	
Loans		_		5.530	,		_	_	
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### TRIAL BALANCE-(ITEMS ONLY) (1)

Trading Account-Stock (at commencement) Manufacturing Expenses Sales

Purchases Returns Outward Retarns Inward

Carriage Inwards Factory Rent Power Manufacturing Wages Light etc

Profit and Loss Account-

Carriage Ontwards Insurance Stationery and Postages Discounts Received Advertising Commission Discounts Allowed Lighting and Heating Travelling

Repairs

Drawings

Bank Charges

Office Salaries Interest Depreciation General Expenses

Office Rent and Rates **Bad Debts** Balance Sheet-Cash Patents Sundry Credito s Bank Sundry Debto s Motor Lorries Bills Pavable Plant and Machinery Capital Land and Buildings

Goodwall Office Furniture

Adjustments required at Balancing time-(1) Valuation of Stock in hand at close

(2) Provision of Interest on Capital Provision for Bad and Doubtful Debts by a Reserve therefor

(4) Provision for-(a) Outstanding items as Rent due (b) Unexpired items as Insurance prepaid

(a) Single Account System

Bills Receivable

The view of what is deemed profit under this system is gauged by the net increase in value of assets over habilities for the financial year just closed A realized surplus on any one particular asset may not be considered available for distribution to shareholders without reference to the general financial position of the concern

(b) Double Account System

The view of what is deemed profit under this system is measured by the difference between income and expenditure as shown by the Revenue Account without reference to the depreciation (or it may be the appreciation of the fixed assets as shown in the Capital Account ) (c) Third System

When the Memorandum of Association provides power for its directors to invest cap tal in a wasting asset and exemption from providing means for the renewal of the same then the profit of the company available for distribution is the excess of the year's income over the year's expenses properly chargeable to revenue without provis on for depreciation of fixed assets

# (d) Fourth System

Provision for losses of Capital (Fixed and Floating) are not necessarily to be included in the statement of profit before determining the profit of the company It would seem that unless specifically provided for in the Ventorandum or Articles of Association the profit of a company normally relates to the excess of income over expenses properly chargeable against

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clearly To be no	endently is by y explained and keep the position cessary to arran	means of adju- illustrated in Ad- i of the Bank Ad- ige for the Bar	stment Ivance count ik Acc	d Accounts, which d Accounts from the Ledger cli- count (total amoun	accounts :
	To Sundry Assets   To Sundry A				
19	To Sandry Assets , Cash (Expenses)	300	19 .	for Goodwill) Balance (Loss transferred)	21,800 - 600 -
D	·	CASH A	cou	۱۲	Cr
19	To Resilization A/e		19	(Expenses) Harrison Sundry Creditors	4 000 - 4 200 - 10 500 - 2 710 -
D	r PI	ROFIT AND L	oss a	CCOUNT	Cr
19	" Loss on Regiszan " Briance Net Pred Capital A/cs.— L. Brier,	en 600 940 960 9900	19		
D	r. I.	BRIER'S CAPI	TAL.	ACCOUNT	C <sub>F</sub>
19 Dec. 31	To Drawings A/e ,, Cava	. 5 350 1 d. 10,399 -		_ Interest	2 000 -

19 Dec. 31 31	To Drawings A/e, ,, Cavh -	53 10,3	90 10	19 Dec 31	By Balance " Interest " Profit and Loss A/c f.	8 000 5 940

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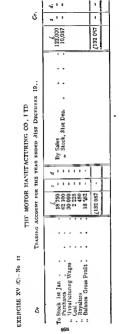
1264 2 £264

### KEY TO ADVANCED ACCOUNTS EXERCISE XV (C)-No 8 (contd.) I. BRIER'S DRAWINGS ACCOUNT CrDr 19 3,0 Dec 3 4 Balance Dec 31 By Cap tal A/c Dr C OKE 5 CAPITAL ACCOUNT Cr Dec 31 € 1 250 2 710 19 BY PROBLE I LESS AC To D awings A c Dec 31 3.960 £3900 C. OKES DRAWINGS ACCOUNT Cr D\* 19 Dec 3 1 200 Dec 31 By Capital A/c To Balance EXERCISE XV (C)-No a JOURNAL ENTRIES FOR ADJUSTMENT 19 Suspense Account 10 To W Brown 10 Sundry Debtors To Suspense Account 61 Returns Inwards 27 10 To K Carr 27 10 Bradart Freres 220

EXERCISE XV (C)-No 10

To Bank

See Advanced Accounts pages 18 and 19 (nucles Loose leaf and Card Ledger 1



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MANUTACTURING
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(C)-No
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EXERCISE

	-	ŕ		Ľ		3	p	8
To Rates Taxes and Insurance Repairs and Renewals Gas and Water General Fxpenses Traveling 4 xpenses	<u> </u>	8	1,250 1,300 1,75 475 1,335	n '	By Trading Account Discounts Received Reserve for Bad Debts Less Bat Debts New Provision	2 250 150 1 875	<u>si -</u>	
Office Salar cs Discounts Allowed Debenture Interest Directors Fees			255		Interest on Bank Deposit		18 —	
Depresiation— Plant and Machinery Office Furniture Patterns	1 500 46 17 468 15		- 6					
Patents Preliminary Expenses Palance cid	83	-	9600	2 2	ú 9			
			20 667			_	£ 20 867	
Dr		-	APPRO	PRIA	APPROPRIATION ACCOUNT			ů
To Sinking Fund Account for Re- demption of Debentures			2 000	8	By Balance 1st Jan Current Year \ Profit		000 6 068 7	\$ c
, Inter in Div dend Paid Briance to Balance Sheet			5 890	e)		_	_	
	_		068 bĴ	67	9	_	9 890	2 6

Ps Capital Account (Credit Side)

# LEDGER

# Ps Drawings Account

(Credit Side)

19 Mai 31 Sept 30	By Balance Interest (5% for 2 mos.)	6 500 54	s d	19 Mar 31 Sept 30	Due (12 of £750) Late est	750 250 6	8
			11	1	(5° to " mes on		

# EXERCISE XV (C)- No 13

# JOURNAL OPENING ENTRIES

19	Leasehold Premises	2 £	s	đ	£	s	d
Jan 1	Fittings etc Stock Book Debts Cash	450 4600 800 50	-	-			
	To Sundry Cred tors Bank Overdraft A s Capital				1 500 2 950 3 480	-	-
		/ <b>7</b> 930	-		£7 930		
	Cash To Bs Cap tol Account As Capital Account (For pre mining pa d by B for share of goodwill)	4 000	-	-	3 000 1 000	,	



# EXERCISE XV (C)-No 14.

# JOLENAL OF MESSES AMBROSE & CO (NEW)

Jaa Jaa	1	Business Purchase Account To Vendors' Account For purchase of business as per agreement dated 1st Jan	37,500	s d	£ 37,500	5 1
**	ī	Sundry Debtors Bills Recorable Land and Hublungs Plant and Vlachnery Horses and Vehicles Stock. Progress Lind Aprogress To Business Purchase Account Sundry Assets acquired as per agreement dated by Jan	6,000 609 10,000 7,000 500 8,000 2,000 11,000		45,100	
"	1	Business Purchase Account To Sundri Creditors , Bad Debts Reserve , Bills Pavable Sundri Liabilities as per agree ment	7,600		5,000 100 2,500	=
		Vendors' Account To Share Capital Account Cash 32 507 »bares allotted and balance in cash as payment of purchase price of business	37,500		32 500 5,000	==
		Sundry Shaveholders To Share Capital Account For issue of 10 000 shares of 41 each	10,000	- -	10,000	-
		Cash To Sundry Shareholders For sums received	10 000	1	10,000	-
		1	147,700		147.700	

# EXERCISE XV (C)-No 14 (contd) MESSRS AMBROSE & Co, LTD

BALANCE SHEET AS AT 31ST JANUARY 19

CAPITAL A	ND LEADELITIE	s	_	PROPERTY	AND A	55E	75		_	_
Nominal Capital— 50 000 Shares of Leach Lisued Capital— 42 900 Shares of Lieu Fully pd B ils Payable Sundry Creditors		£ 0 000 2 500 5 000 0 000		Land & Bu Mong Plant & Machinery Goodway Vehicles Stock Work in Progress Sandry Debtors Lass Bad Debts Reserve B Ils Receivable Bank	6 900 190	-	đ	10 000 7 900 500 11 000 8 000 2 000 5 900 5 900 5 900 5 900 5 900	3	4

19	Business Purchase Account To Vendor's Account	80°000	s d	£ 80 000	s d
	Land and Buildings Stock etc Vachinery and Plant Goodwill To Business Purchase Account	35 000 15 000 20 000 10 000	-	80 000	1.
	Vendors Account To Share Capital Account For 10 000 shares issued to him as part payment	10 000	-{-	10 000	-
	Application A/c (2/6 per share) Allotment A/c (2/6 per share) First Call (5/ per share) Final Call (10/ per share) To Share Capital A c	12 500 12 500 25 000 50 000	-	100 000	1
	Application A/c To Allotment A/c For transfer of 10 000 2/6 s over subscribed	1 250		1 250	1
	Cash A/c To Application A/c Allotment A/c First Call Final Call	97 000	-	13 750 11 250 24 000 48 000	
		£368 250	3	€368 250	

Calls in arrears would appear in the Balance Sheet as a deduction from Issued Capital

<sup>16-(</sup>B 2406)

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THE SILVER ORE CO. LTD TRADING ACCOUNT FOR THE YEAR ENDED 1ST APRIL, 19	By Sales of Silver Sales of Coal Slock (Silver) 1st Apri	PROTIT AND LOSS ACCOUNT FOR THE VEAR ENDED IST APRIL, 19	Dy Freder Account The Freder Account Therest on Deposit Account Add Amount due Preder on Benario Traffine Shares on Reparto Traffine
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	Now real Capt L. Cartal Ann Lianizated Now real Cap I Letter co barry of fleeds 30 000 O d nary Startes of fleeds	3 000 OF	79	· ·			PROPERTY AND ASSITS OF hose PL stand M ch. cry Add Cate age o above	_ •	\$ 000 \$ 130	70	000 oz		
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	To Inter m Divided on Preference Shares paid 2nd Oct. Icts Tax o, Intome Tax o, above	321	# 80 G	4 9	m F	<u></u>	By Profit an I Loss Acco nt (Current year \$ g out)				990 L	2 S S	
	Preference Share D v den 1 cerued Balance to Bal nee Sheet			5963 17 5963 17 7 066 15	2 1 2						c1 990 t3	12	

# THE PLEASANT HOTEL CO, LTD

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# EXERCISE XV (C)-No 18 (confd)

THE WFEKLY BANNER LTD

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BALANCE SHEET AS AT 31ST MARCH 10	d I rechaid formers Avo Assers	Mach nery and Ely ((modud Add cons)	20	709		Mad Dobte Reserve 30 -	f 1 to Consols Interest Due on Consols Cath at Bank in hand	Telephon Prepard	9		17,000 @ 21% Lets Income Tax @ 1/2	Ad Interest Less Amount recoved	Amount due (3 mos.)
BALANCE SHEE	3 F			28.52	2 2614 16	_		!		s d )	:	[;	l
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MANUFACTURING AND PROPIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 19.,

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Outward	Carriage lawards Factory Wages (inc) (5325 unpaid) Tactory Hearing Liphting cre Tuctory Insurance (sea 448 nre	paud) Deprecation of Loose Touls Baltinee oness Profit c/d .	to Rates, Taxes and Insurance (Office) less 16 proposed	Office Salanes and Directors' Fees (Incl. £127 owns) Discourt. Carriage Outwards	Restairs to Premises , Heatung Lighting, etc (Office) Depreciation of Plant and Machin-	Balance New Front	~
	Carriege Inwards Fortory Wage, (inc. £325 unpaid) Tactory Heating, Liphting etc. Tactory Insurance (less £48 nm	naul Deprecation of Loove Touls between the profit old	fo Rates, Taxes and Insurance				~

EXERCISE XV (D) No 1 (cond) TILE 10AMSHIRE MANUFACTURING CO LTD

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BALANCS SURET AS AT 30TH JUNE 19	PROPERTY AND ASSETS Frethold Fremises Plant and Macl nery Less Deprec at on	Lose Tools Stock	Sundry Deptors Less Rad Debts Reserve Investments	Cash at Bank Rent due from Sub tenant Insurance Prej aid			
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	CAPITAL AND LIABILITIES Novil al Capital— 50 000 Ordinity, Shares of £1 each 20 000 6% Preference Shares of £1	-	50 000 Ordinary Shares of 21 each	20,000 6% Preference Shares of £1 each fully called Less Calls in Arrear	Salaries O v ng Wages Ow ng Sundry Cred tors	Profit and Lors Account— Uslance 1st July Add Current Year 8 Profit	

EXERCISE X

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LTD	Mer Decryber 19 .	Jist Dec
JOHN STIPHENS & CO LED	TRADING ACCOUNT FOR THE FEAR FNDAD 31ST DECEMBER 19	4 6 70 8 410 By Sales
	Твария Ассоин	9
EXERCISE XV (D)No a	Dr	To Purchases Vogges Royaltes ,, Balance, Gross Profit c/d

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EXERCISE

To Interest Interest on Mortgage to 30th June 190 16 8 Add Interest due to 31st Dec 200	2 2	By Trading Account b/d Rents of Cottages Transfer Fees	\$ s	16 515 102 1	29 1 8 8 9 8 8 9 8
	390 16 8 350 1 8 1 530 1 6 2 6 772 6 2				
re(7½% of £412½) 30 18 9 £3 000) 250 = - hinery 1733 16 =					
(6% of £28 886/14/ ) Land and Buildings (2,% of £17 800) Goodw 11 (10% of £10 526/5/4)   1652 12 6					
9 6 669	4 106 16 9 3 048 18 5				18
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# JOHN STEPHENS & CO LID BALANCE SHEET AS AT 31ST DECEMBER 19

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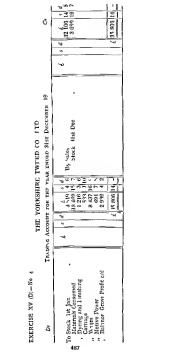
# JOHN BOI TON & CO LTD

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EXHRCISE XV (D)-No. 3 (contd)

JOHN BOLTON & CO LTD

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BALANCE SHEET AS AT 31ST DECEMBER 19.	PROCEETY AND ANGERS Recoldd Land and Buldings Machinery and Plant fess Depreceation Fatent Less Depreceation	Stock Sundry Debtors Lets Bad Debts Reserve	Cash at Bank	Insurance unexpired (Fire)			
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EXERCISE XV (D)-No 4 (conid)	THE YOR	SHE	THE YORKSHIRE TWFED CO LED				
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" Municipal Directors flower (19% of (Sab)7/8)	F	2 2 5 2 2 5	lah				
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No 4
XV (D)
EXERCISE

THE YORKSHIRE TWEID CO ITD BALANCE SHEET AS AT TIST DECEMBER 19

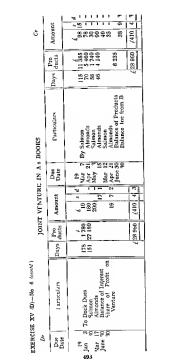
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8 4		6,450			(6 450)
)-No. 5 THE OIL AND GAS MOTOR CO LTD Teacher AND LASS ACCOUNT FOR THE YEAR INDICE BIST DECEMBER, 19	Py Stake at 31st Dec Loose Tools	By Trading Account b/d .			
THE OIL AND GAS MOTOR CO LTD AND LASS ACCOUNT FOR THE YEAR ENDED	2500 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -		450 450 100 100 100 100 100 100 100 100 100 1	200 100 330 440	150 1,040 600 6
D XX ESI	To Stock, 1st Jan  Prochases (Manufecturing)  Wages (Manufecturing)  Prochases (Manufecturing)  Prochases (Manufecturing)  Prochases (Manufecturing)  Prochase (Manufecturing)  Prochase (Manufecturing)	", Balance, Gross Profit c/d  To Repars, Renewal and Maminoe  To Hepaurs, Renewal and Maminoe  To Hepaurs, Renewal and Maminoe	Traceling and Commission General Lygenses General Lygenses Therevis on Debentures Facil Interest and Commission Ingal and Accountancy Charges I gest Rates Taxes & Invinence Haal Debts (Receive etc.	Less Old Reserve  Depropriention  Olivee Lumiture (\$%, of (400))  Faterins (10%, of £1,000)  Faterins (10%, of £2,300)  Nachinery and man	Ley's or 1.8 are, 1. and and Bouldings (3% of £5,000) (3% of £5,000) Balance Ner Protit

THE OH AND GAS MOTOR CO LID EXERCISE XV (D)-No 5 (could)

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Ì	s 000 150	8 800 440	3 300	1000	58	10 500		
BALANCE SHEFT AS AT 31ST DECPMBER 19	PROPERTY AND ASSETS Land and Buildings Less Deprecration	Plunt and Machinery . Less Depreciation .	- Patterns - fast Deprecation	Patents Less Depreciation	Office Furniture etc	Stock Sandry Debtors Less Receive for Bad Debts and Preconts	Cash in hand Profit and Loss Account (Balance to date)	
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5 5	ا <del>نو</del> د							3
14								
Bai	£ 25 000							
	CAUTAL AND LIABILITIES A ominal Capual— 2 500 Shares of £10 each	Issued Capital- 2000 Shares of £10 each fully	paud 6%, Debetures Bank Overdraft 51 ndry Creditors					

XER	ISE :	XERCISE XV (D) -No 6													
Dr.					A & B	s JOIN	T	ENTURE	A & Bs JOINT VENTURE ACCOUNT				Ċ		
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pr	- 24	(5% of £1/13/4) Freight	B		445	9 49		1000	•	< <		11,385	86	5	
Mar 17	- =	Railway Dues Almonds	m∢r	£	340	200	11	May 3	: 2 2	(Eq	288	5,700	286	7	111
une 3		Bal of Products	9		9,508	≘ _	<del>-</del> -	Mar 12 Apr 21	" Samonds " Samon " Almond«	444	94	4.140	84%	111	
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						£38 14	4	-		_	_	_	(38)	17	7 7



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2 I reight
6 Railway Dues
1 Fig.
30 Balance of Prof Particulars 30 Ď Date 요. 선생 494

ċ

The manufacturer - I EDGER should be divided into four main divisions

- e -- (1) Purchases or Creptions
- (3) General

(2) Sales or Debtors

(4) Private

In order to separately agree Personal Accounts it would be necessary to ntroduce Adjustment Accounts for each of the Fersonal Ledgers

It will great y laculitate the compilation of the Adjustment Accounts if the subsidiary books are appropr ately analysed as is the Bank Cash Book illustrated on pages 290 and 291 of Advanced Accounts

# EXERCISE XV (D)-No 8

# EXERCISE XV (D)-No o

# SYSTEM OF BOOK KEEPING FOR MANUFACTURER

the manufacturer would require the books enumerated below-

(a) Purchases

(g) Petty Cash Book (analysis)

(b) Sales

(h Bank Cash Book

(c) Purchases Ledger

(r) Bills Payable Book (r) General Ledge:

(d) Sales Ledger (e) Wages Book

- (k) Journal
- (f) Expenses Book (analysis)
- (l) Bills Receivable

. . Cr

The manufacture must exercise sedulous care that the posting from the subsidiary books shall conform to the double entry principle of a DEBT entry being offset by a CREDIT entry for equivalent values. It would be necessary when indoorsing a bill of exchange to make a fournal

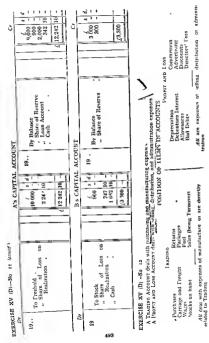
It would be necessary when indorsing a bill of exchange to make a Journentry as follows—

Customes

Dr

lo Bills Rece vable .

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à		CASH ACCOUNT		ů
6	To B.lance Realization ,, as Capital Account	1 600 s d 2 550 2 342 10 73 522 10	By Realeration Account Sundry Creditors B s Capital Account	2,0 4,70 1,800 1,632,10 7,3922,10



EXERCISE XV (D) -- No 13 (confd)

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# JOURNAL.

19 .	Business Purchase Account To Vendors For purchase price of business	40 000	s d	40 000
	Vendor's Account To Share Capital Account For issue of 4000 shares of £10 each as fully paid to vendors as payment of purchase price of business	40 000	-	40 000
	Property Account To Share Capital For issue of 2 000 shares of £10 as fully paid to sundry persons for purchases of property	20 00%		20 000
	Sundry Shareholders/or Calls A/c To Share Capital For £5 called up on 8 000 shares	40 000	-	40 000
	Share Capital Account To Forfeited Shares Account Calls Account For 750 shares of 410 each 45 having been called forfeited for Nov payment of sums due there on as per Resolution No	3 750		2 000 1 7e0
		/143 750		£142 750 -
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# CASH BOOK

	Details		Bank	
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Capital and Liabilities Nominal Capital— 25 000 Shares of £10 each	250 000	, a	· ~	,		PROPERTY AND ASSETS BUSINESS FUICHTS ACCOUNT Property Account Cash at Bank	7 V P	Assers ccount		<b>9</b> 2	•0	4.461	40 600 20 000 37,000	411
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Forfested Shares Account			2 000	0 10	11							- 5	000'46	-1-1

# ✓ EXERCISĖ XV (D)—No r5

TOURNAL OF THE RICHMOND CO. LTD.

	JOURNAL OF THE MCILM	O ID CO	T' I'	_	
19	Application Account Allotment Account First Call Account Final Call Account To Share Capital Account (1) per share on 100 000 sha fully called by four equal instal ments of 5/ each ments of 5/ each	25 000 25 000 25 000 25 000	s d	160 000	s d
Jan	Bank Account To Application Account Allotment Account First Call Account Final Call Account Sums received from shareholders	99 /50	1	25 000 25 000 25 000 24 750	-
Feb 12	Share Capital Account To Forfeited Shares Account Final Call Account 1 000 shares of f1 each forfeited for NON payment of Final Call as per Resolution No	1 000		750 250	=
May 1	Capt Hayward Forfetted Shares Account To Share Capital Account Re issue of 1 000 shares of £1 each at par in consideration of £500 as per Resolution No	500 500	-	1 000	-
	Bank Account To Capt Hayward Sum recoved on recissue of forfested shares	500	- -	500	
		€202 250		£202 250	_

Liasilities
Debentures
Underwriters Account

jour	RNAL OF THE BLAKEWELL	MANU	FACTUI	RING	CO L	TD	
19	Debenture Discount Account Debenture Holders To Debentures For the issue of £10,000 w debentures at a discount of		500 9 500	5 4	10 000	5	-
	Cost of Issue of Debentures To Underwriters 21% of issue of debentures.	:	250		250	-	-
	{		10 250		10 250	Ц	
	CASH B (DERIT S					_	_
				į	Bank		_
To Debe	nture Holders .			9	500 -		
	THE BIAKEWEIL MANUE		RING CO	, L	ID		_

Note—The underwriting costs, may have been paid in which case only "Debentures 410 000 would appear on the Labbities sade the Awste note would show "Bank 9250 and Cost of Issue of Debentures 2500."

Assurs
Cash at Bank
Cost of Issue of Debentum

# THE GOLDEN HILL CO LTD

### PROFIT AND LOSS APPROPRIATION ACCOUNT 1ST FEBRUARY 19 Cr De 3 600 By Profit and Loss Account 18 000 To Reserve Fund Preference Share Dividend 5 000 Ordinary Share Div dend 7 500 Balance c/d 1 900 1 18 000 18 000 D Ci DIVIDEND ACCOUNT (1ST FEBRUARY 19 To Preference Shareholders 3 750 By Profit and Loss Appropriation Ord nary bhareholders Income Tax 500 Account 12 500 120 12 200 12 n0 i Cr D INCOME TAY ACCOUNT By D v deal Account D٢ RESERVE FUND ACCOUNT C+

# EXERCISE XV (D)-No r8

Profits prior to incorporation may be ascertained by-

(a) Stock taking or (b) On the basis of the First Year's Trading

(b) On the basis of the First Year's Fraging
When such profit has been ascertained the portion to capitalize (being profit
prior to incorporation) is calculated according to what fraction the time or
turnover up to date of incorporation is of the full year or total turnover
of the year as the case may be

Feb 1

By Profit and Loss Ap

propriation A/c

3 001

The £8 000 profit will be apportioned as follows-

(a) On Basis of Time

As the period to 30th April is 4 months and the period to 30th June is 6 months the portion of profit to capitalize will be four sixths of £8 000 = £5 333 68 8d

(b) On Basis of Turnover

As one half of the throover was received up to the date of incorporation then one half of  $£8\,000 = £4\,000$  will be capitalized

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	19	<b>~</b>									
	MISSRS BROWNSON & CO LID TRADING AND PROTIT AND LOSS ACCOUNT FOR THE FEAR REDEED 31ST MARICH 19.			-					_	-	_
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	MITSERS BROWNSON & CO LTD AND LOYS ACCOUNT FOR THE YEAR RI	By Sales ,, Stock, 31st March			By Trading Account b/d						
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ď	210		p/2			- Co	Interest on Bank Overdraft Bad Debts Res (5% of £31 Less Old Reserve		_	Z	
2	7 Y	ock, 1st April rchases rriage rriage Agers	i i			. 3	2%6	Depreciation of Plant	Preliminary Expenses (umount written off)	Balance Nur Profit c/d	
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3		8655	i i	- 6	Directors' Tees	to se	2 7	preciation of Plan	5.5	Jan	
ARREST AV (D)-NO 19	Ď.	o Stock, 1st April Purchases Carrage	Balance Gross Profit c/d	1 P. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	ĮĘ ŠŲ.	Iravelling Expenses . Ratos etc (4 yr to 30th Sept last) Add Rates due	Interest on Bank Overdraft Bad Debts Res (5% of £3 172) Less Old Reserve		Ĕ	ñ	
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MFSSRS BROWNSON & CO LID APPROPRIATION ACCOUNT	4 8 4 750 1 By Balance 1st April 1903 9 Profit and 1 995 Account	BALANCE SHEET AS AT 31ST MARCH 19	6 d L s d Property and Asserts 8000 Print and Machinery Plant and Machinery	¥288	50 - Bils Recevable Cash in hand Predammary Expenses for I ass & written off	1 003 8	8 895 11 3
å	To Interim Dividend , Balance to Balanca Sheet ,		CAPITAL AND LIABILITIES Nominal Capital— 8 000 Shares of £1 each	Issued Capital— 7 \$20 Startes of Lieuch 15/ paid up 7 Parties of Linux Account Receive Tund Account Bank Overdrait Add Interest accrued thereon	Balls Payable Sundry Creditors Outstanding Items Wages Rates	Profit and Loss Account—Balance available for distribution	

50<sup>R</sup>

& CO LTD	1939	-
SHELT OF Y Z	AT 31ST OCTOBER	
BALANCI	As	
12 01-10		

CAPITAL AND LIABILITIES	1	7	Assetts	ب	4
Vomest Captail— 400 000 Ordinary shares of 10s each (100 000 7 per cet 1 treference Shares of £1 each		900 001	Freshold Prenaves at cost 1 is depreciation  Plant and M-chindre at cost 1/44 depreciation  Very 1 in the second of the second o		3 547
		(300 000	Storks - Sto	29 172	
Issued Capital-		120 009	Dien ncham	6 512	JS 684
60 000 7 per cent i reference Shares of (1 each (1 a share	900		Sundry Debtors-		
Calle in Arrear	140	29 860	I ca Reserve for Bad Debts	13 945	
Share Prem in the Street of the cent Delengues		12 000 40 00 0	Brraingham Less Reserve for Bad Debts 250	000	
Sundry Craditors—	4 38H			000 8	1 310
Strengham	3 194	2 342	Expenses paid in advance	309	
-ba name accuracy 109	1 973		Dermangham	9	455
Preninghin	422	7 340	Costs and Brok Balances—	8 757	
Staff I amions Fund Profit at d Loss Account Jist October 1938	8 157	340	Bremingham Cash in Transit	2000	
Add treft for year— London Birmingham	7 334		Staff Pensions Fund Investments at cost Descount on Debestures		000
	19 209				
Distriction billion of the control o	200	10 409			
		£227 × C0			6227 160

Depreciation of Hant and Machinery
To London Current Account
Depreciation on plant and machinery at Birmingham BIRMINGHAM JOURNAL

300

B radingbam Carrent Account
To Plant and Machinery
Depreciation on plant and mach nery at Burningbam JONNON JOURNAL

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EXERC	ISE XV (D)-No, 22,	CHINE	MACHINERY ACCOUNT	UNT	Ċ	
1935 Jan 1	To Cost of Mechinery	2,000				
Δ		POLICY	POLICY ACCOUNT	1	5	-
1935 Jan 3	To Bankfremum	700	Des 32	By Machinety Redemption Account	48	1 7 1
19-3 Jan 1	To Balance brought down Bank-Premon	88	Dec 31	By Machinery Redemption Acequat	 3 8	
ε ε 51	To Balance trought down BankFernaum	1 77	Dec 31			:::::
0 Jan 1	To Baiance brought down	1 8	_			<u> </u>
Û		RY KC	DEMPTK	MACHINERY REDEMPTION ACCOUNT	10	4
1935 Dec 31	To Policy Account to reduce it to surrender value Balance carred down	288	1 Dec 31	By Profit and Lots Accoun	300	41
19.36 Dec 31	To Poiley Account to reuse at to surreader salee Balings carried down	28	Jun 35	By Ratance brought down. Frofit and Loty Account	 8,5	1.11
1837 Dec. 31	To Policy Account to reduce is to surrender value Balacce carried stown	98	Jan 1 Dec 31	By Balance, brought down Profet and Lots Account	920	1 15
		-	Jan 1	By Balance brought down	920	1_1

	Products		
	ze 30th	Inne	££
440 2a0	73 da 37	ys before 30th June	32 120 9 250
700	18	beyond	
£1 790 (	28 770	1 790 gives 16 days)	£28 770

Average due date = 30th June - 16 days = 14th June Amount due to be paid £1 790

# EXERCISE XV (D)-No 24

(a) See under Partnership Deed page 379 of Advanced Accounts
See under Goodwill pages 383 to 386 (inclusive) of Advanced Accounts

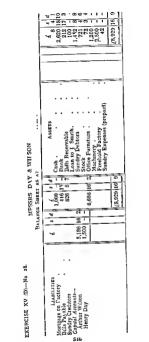
b) Goodwill is an intangible asset and rarely the fictitious asset it is so often labelled its value consists in the profit earning capacity represented by family trade taken over 1e the customers on the books of the business when purchased Goodwill is also vested in trade marks. Indee names and local conditions favourable to the business that has changed hands. In fact Goodwill cannot easily be defined as any one particular advantage yielded by the bus ness purchased but its value is determinable and once created is hard to contest.

(D)-No	
X	
EXERCISE	

r December 19	38 50 2 8 8 378 2 8 8 378 2 9		0 44728 [5]	10 00 00 11 00 00 11 00 00 00 00 00 00 0						S   53 453   3 3
3)-NO 20 THE STUPLEX MANUFACTURING CO TRADIAG AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER	\$ 274 16 10 By Sales		527 19 7 522 19 7 8 256 14 5 44728 15	10 6. By Trad ng Acco nt 11 6. Discounts Recoived 12 9 16 9	00 00 00 00 00 00 00 00 00 00 00 00 00	-		-	10	3 3
EX 7	\$ 274 S 274	2 2	8 266 4 728	282 282 282 8	328 8			-	3 878	69 429
Id s	* 7 # 80	6	7	_	F-9-1	V-40-1	9		$\equiv$	
E 3	£ s £ 227.53 14 8	7642 13			152	200 12 43 13 4 4	37 10	322	Г	_
EXERCISE XV (D)NO 20 THE  TREDING AND PROFIT AND	To Stock Ht Jan	rto [7] nt etc ges fro [9]ant et	Carrage and Tregit Cost ( s and Waver Bala on Gross Probt old	To Wages (now productive) Decounts Allowed S inday Tracked Lepones Ground Real, Mates and Taxes	Coal, Gas and Water Bank Carges Repairs to lant Dad Debris Reserve (\$% of £9 \$72/12/6) Les Old Reserve	Depresation— Plant set [ist Jan ) 5% of £6.012/11/8 Furnitue atc (add t one) 25% of £442/17/4 Furnitue and Fittings (5% of £873/14/9)	" I raskeld Resembtion Fund- Ann at Instalment Interest at 21°s on Balance (1st Jan) 1 e 4670	. Interest on Capital Access 45 G Syker (5% of £8 500) R Simpson (5% of £6 444/1)	Balance Nar Profit c/d	

			PALLEN	is B	SFI	9 5	្ន	¥ 5	THE SIMPLEX MANUFACTURING CO Balance Sheet as at 31st December 19			
Lineutines undry Creditors undry Creditors Add Annual Interest			J 529	- St.9	74 9	4 573 16 10 5 083 16 2	- 29	424	Asters 6.35	400	1,050	4 00
Amnasi instairent Smuth a Bonus Spitas Spitas Spitas Balance, 11 fan Add Interest			25.000	9	1	84	28 23	e 6	18 Reserve 9872 443 1410 1410 1410 1410 1410 1410 1410	52   25 80   40	6,378	65
Share of Profit			1 903		0 0 1	01 91 858 9	<u> </u>		Plant and Machanery Add Addisons (Garage pass) Transfer from Parabes Transfer from Pages Transfer from Wages Garage	1 2	2	<u>, —</u>
Balchoo, 1st Jan. Add Inberest in Share of Profit Less Drawmers.			2 2 3 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5		11515				L13 Deposation— (5483   5483	=======================================		
	.		<u> </u>	4		7 920 1 10	-15	9 10	28 128 15 6	-	8044 3,270 10 29,129 15	
Dr.	- 1	Į	ă	s t	1	l or	2	-	DISTRIBUTION OF PROTER ACCOUNT	}	1 8	1
To 1 Smuth a Bonus (2% of £2,500) J Smuth a Bonus (14% of £1,378/7/2)	٠_	• •	4	==	7	788		1 E	By Met Frost for year		3,879	4.4
Bolonce to Copiest Accounts— G Sykes & share R. Simposo, 4 share	• • •	• •	200	-==	1 903 16 10	3 807 13 %	3 FT	e 20				
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1	Days ducts Mos	Oct 1 121 45 55 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
0	Days	22 22 22 S
34	Due	3656
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EAST & CO IN ACCOUNT CURRENT WITH NORTH & CO	54	Confi Goods Sal of Products Ball of Products Ball of Products Ball of Products Sal of Products All Ball of Products All Ball of All and All an
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EXERCISE XV (D)No 27 Dr	Part culars	19 Coods (24) 19 Coods (24) 19 Coods (24) 19 Coods (24) 19 Cooks (24) 19
EXERCI	Dale	7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
		515



## EXERCISE XV (D)—No 29 IOURNAL ENTRIES FOR ADJUSTMENTS

19 A	Defaulting Cashier	£ 328	5 16	₫ 10	£	5	d
	To Sundry Debtors Sales Account	020			318 10	4 12	6
	Purchases Account Sundry Creditors To Defaulting Cashier	6 66	8	4	72	13	8
	Sundry Creditors To D scount Account	1	13	9	1	13	9
	Petty Expenses To Defaulting Cashier	5	3	6	5	3	6
В	Loose Plant To A Brown	95			95		_
C	Sales Account To Stock Account	100		I	100	-	-
D	Sundry Debtors To Bills Receivable	95	-		95		-
		€698	7	9	£698	7	9

## EXERCISE XV (E) No 1

## DEBENTURE REDEMPTION FUND Dr INVESTMENT ACCOUNT Cr Year 1 To Cash Year 1 By Balance s/d Year 2 i To Balance bid Year 2 By Balance old 2 933 13 11 Cash nvested = an nual nets ment + 1st yes sinterest £2 933 13 11 F2 933 13 11 Year 3 To Balance b/d Year 3 By Balance c/d 4 511 1 577 15 Cash /4 511 £4 511

## EXERCISE XV (E)-No I (contd)

## DEBENTURE REDEMPTION FUND

, IN	VESTMENT ACCOUNT	T-(contd)	Cr		
To Balance b/d , Cash	4,511 9 1 1,656 12 11	By Balance c/d .	6 168	2	Ī
To Balance b/d	6 169 2 - 6 169 2 - 1,739 9 7	By Balance c/d	No.		4
To Balance b/d Cash	1,826 9 1	By Balance old .	No.	-	
To Balance b/d , Cesh	9734 - 8 Year 7	By Balanca old ,	11 651	16	_
To Balance b/d ,, Cash	11 651 16 2 Year 8 2,013 13 3		13 665	9	5
To Balance b/d , Cash	Marine Inches		15,279	16	7
To Balance b/d Cash	2 220 3 9	By Cash (Reals t on of Invest m.nt)	16 000	1	-
	To Balance b/d , Cash  To Balance b/d Cash  To Balance b/d Cash  To Balance b/d , Cash  To Balance b/d , Cash  To Balance b/d , Cash  To Balance b/d , Cash  To Balance b/d , Cash	To Blainne hid	To Balance hid	To Balance h/d	To Ralance hid

_	_		RE REDEVE	******		Cr.
ear	1	To Balance c/d	1 431 1 5	Year 1	By Appropriation A/c	1431 1
ar	2	To Balance e/d	2 933 13 11	Year 2	By Balance b/d Linterest Appropriation A/c	1 431   I 71   I 1,431   I
ar	3	To Balance c/d	£2 933 13 11 4 511 9 1	Year 3	By Balance b/d Interest Appropriation A/c	£2 933 13 2,933 13 146 13 1 431 1
ат	4	To Balance e/d	(4 511 9 1 6 168 2	Year 4	By Balance b/d , Interest , Appropriation A/c	£4 511 9 4 511 9 225 11 1 431 1
ar	3	To Balance e/4	28 168 2 7 907 11 7	Year 5	By Salance b/d Interest Appropriation A/c	6 168 2 308 8 1,431 1

## EXERCISE XV (E)-No 1 (contd)

## Dr DEBENTURE REDEMPTION FUND ACCOUNT-(contd) Cr

Year (	3	To Balance c/d	9 734 - 1	Year 6	By Balance b/d Interest Appropriation A/c	7 907 395 1 431	\$ 11 7 1	7 6 5
Year	7	To Balance c/d	(9 734 11 651 16	Year 7	By Balance b/d Interest Appropriat on A/c	9 734 9 734 486 1 431	14	8 8 2
Year	8	L To Balance c/d	13 665 9	-11	By Batance b/d Interest Appropriation A/c	11 651 11 651 582 1 431	16	2
Year	9	To Balance e/d	13 665 9 15 779 16	Year 9	By Balance b/d Interest Appropriation A/c	13 665 683 1 431	9	
Year	10	-	15 779 16 18 000	Year 10	By Balance b/d Interest Appropr ation A/c	15 779 15 779 788 1 431	18 19	10
-	_		18,000	3	1	18 000	13	

19	Profit and Loss Account	£ 10 500	5	d	£	s	d
	To Appropriation Account Transfer of balance	10 500			10 500	-	-
	Appropriation Account To Premium on Repayment of Debentures Premium on repayment now provided	500			500		-
	Debentures Account Premium on Repayment of Debentures To Debenture bolders Transfer of balances	10 000 500			10 500	-	-
	Appropriation Account To Capital Reserve Account For transfer of amount of profit equal to debentures paid	10 000		-	f0 000	-	-
	l d	3f 500	Ξ	Ξ	31 500		_

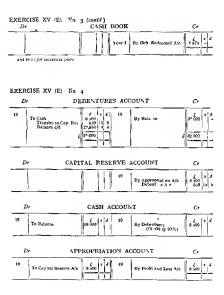
## XERCISE XV (E)-No. 2 (contd) CASH BOOK (CREDIT SIDE)

19	By Debenture-kolders			10,500	s d
			1	)	$\perp$

D	, bi	EBENTURE.	S ACC	OUNT	Cr
ear í	To Debentures Redeemed Account Balance old	1,873 - 13,125 -	Year 3	By Cash	1425
ear 2	To Deb Redeemed A c "Batance o/d "	1875 7 -	Year 2	By Balance b.d.,	13,125
84T 3	To Deb Redeemed A/c "Belauce o/d	9,373	Year 3	By Balance b/d	(13,125 - (11,25) - (11,25) -
ear 4	To Deb Redeemed 4.c , Balance e/d	1,875 7,500 79,373	Sear 4	By Balance 5/d	9,371
est S	To Deb Redeemed A/e Balance c/d		Year S	B) Balance hid	7,500 -
ear 6	To Deb Redeemed A/c a Balance c/o		Year 6	By Balance b/d ,	5 625 -
ear 7	To fieb Redeemed A/c " Balance c/d		Vear 7	By Balance b/4 ,	37×0
ear 8	To Deb Redeemed A/c	1,875	Year 8	By Batanoe b/d	1,6"2

Dr	DEBENTURES REDEEMED ACCOUNT	Cr
Year 1 To C		1,875

and so on for successive years,



			C*	
1940 Feb 28 To Cash	£ 1939 Dec 31 1940 Feb 28	By Bafance , Debenture Redemption Fund	1 000 £51 000	s 4

$D_{i}$	D!	EBENTUR	E RE	DEMPT	ION FUND		C+	_	_
1940 Feb 28	To Nortgage Debentures "Balance	£ 1,00 53 76 £56 76	Ш	1939 Dec 31 1940 Feb 23 " " 1940 Feb 28	By Salance , Funding Loan War Stock	b/d	52 100 4 040 620 £98 780 33 780		

## DEBENTURE REDEMPTION FUND INVESTMENTS

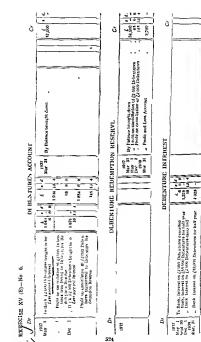
| Dr | 256 490 4% | PUNDING LONN | Cr | 1898 | PUNDING LONN | Cr | 1898 | PUNDING LONN | Cr | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PUNDING LONN | PU

Di		£	28,000	3	ł%	WAR S	TOCK	Cr	
1939 Dec. 31 1940 Feb. 28	To Balance Depenture		27,100	5	ď	1940 Feb 28	By Cash	E7,720	3 3
	Redemption Fund	1	620 £27 720	H	-			£27 720	

## EXERCISE XV (E)-No 5 (contd)

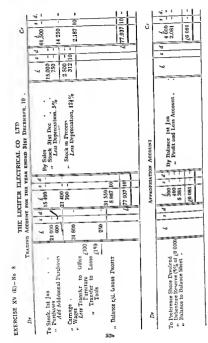
Dr DEBE	NTURE HO	LDERS INTE	EREST ACCO	UNT Cr	
1940 Feb 28 To Tax on 4 13s 4d 34 28 Casb	10 31	2 d 1940 Feb 28 4 2 16 6 13 4	By 2 months interest	£ 416	3 4
Dr 1940	DEBE	TURE INTE	REST	Cr	T
Feb 28 To 2 month nteres	a 1 11 -	6 13 4			1
D <sub>7</sub>	1700	HE TAL ACCO	DUNT	Cr	
		1940 Feb 26	By Debenture Holders	£ 104	3 4

Dτ			CASE	3 A	CCOUN	г		Cr		
1940 Feb 28 T	o Funding Loan War Stock		29 040 27 720 56 760	4	1940 Feb 28 28 28	By Debenture Holders Debeature Holders Ba ance	c/d	£ 51 (00 312 5 447 £56 760	10	-
Mar 1	Balance	b/d	2 447 11	H				ļ	)	l



EXERCISE	xv	(E)—No	7	

EXERCIS:	E XV (E)— 2000 7 PE		DERE	NTURI	S OF \$100 E	EACI	: Cr	
1934 June 30 . 30	o Cash 1400 4½ per centDeben turesof/100 each	72 8	100 5 4	1920 1934 June 30	By Cash  Debeature Premum £80 000 at 5 per cent £140 000 at 7 per cent		200 000 3 000 9 800 (212 800	6
Dr	DE	BENTU	RE RE	DEMPT	ION FUND		Cr	
1934 Jane 30 To	o Debenture Premium Account Balance	6/d 12 s	100	1933 Dec 31 1934 June 30	By Balance  Profit on have offinessunts  By Balance	b/d	108,±00 7 700 €116 200	
				_				
Dr	DEBENTUI	RE REI	DEMPT	IOA LU	ND INVEST	ME	TS Cr	_
1934 June 30	ProfitonSale of Investmts taken to De benture Redemp Fund	1 1	700	1934 June 30 30	By Cash Sale of £51 000 for Balance	cd	\$8 700 57,500	-
1934 July 1	To Balance	b/d 57	- 000					
Dr	DI	BFNT	RE PI	REMIUM	ACCOUNT	_	Cı	
1934 June 30	To Debenture Holders Debenture Holders	9	£ s d 500 500	1934 June 30	By Transler to Debenture Redemptor Fund	1	£ 12 800 £12 500	
D,	1400 41 1	ER CE	NT DE	BENTUI	RES OF £100	EA	CH Cr	
				(934 June 30	By 7 per crat Debent re Holders		140 000	3



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ø
(E)-No
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EXERCISE

ò	79 CO C C C C C C C C C C C C C C C C C C	01 /op g2/
6		_
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19	By Trading Account b/d .	
THE	g 01	
NT LO	1 100 1 100	1000
COUNT FO	1 1 100 1 10	A 100 00
S ACCOUNT FOR	1 1 100 1 10	100 00
LOSS ACCOUNT FOR	1 1000 1 1000 1 1000 1 1000 1 1000 1 1000 1 1000 1 1 400 1 400 1 1 400	100 00

## EXERCISE XV (E)-No 8 (cond)

# THE LUCITYR LIECTRICAL CO. LTD

BALANCE SHEET AS AT 31ST DECEMBER, 19

CAPITAL AND LIABILITIES Nominal Capital—	-2	2	ø,	72	5.	-	PERTY AND ASSETS	4	-	
50 000 6% Preference Shares of	20 000	-	-		_		Lease Depreciation , 5,500	7 :	4	,
50 000 Ordinary Shares of £1 each	50 000	-				-	Machinery and Plant . 14,100	17	5,225	
-	100000	団	7-1				Carts	-	13,042	<u> </u>
20 000 6% Preference Shares of						-	Add Transfer from Wages 100 -	í.		
40 000 Ordinary Shares of £!	40 660	-	,				Loose Tools (Ner) 832 10	101	00%	
1% Debentures Debenture Interest accreed		}_	7.00	8 000	_	17	Goodwill.	F	15,000	91
Sundry Creditors			.12	2500	-11	111	ress	10		
Purchases unpaid Ducctors' Fect	1.000						18 500	[ ]	16,437 10	9
Preference Share Dividend	200	ğ I	77			-	266	7		
Debenture Redemption Account Profit and Loss Account			··	400	01	17	Bills Receivable Cash in Bank	-	2,537	~ 7 (
and available for distribution		_		5,381	7	77				_
			3	£74,808 10	2	77		_	17, 800	+

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<b>EXERCISE</b>

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	79 1	1		
	A 1 1 1			
	£ 25 693 61 460 7 568	94 718		
TRADING ACCOUNT FOR THE YEAR ENDEO HET MARCH 19.	By Sates— Tobacco Cigarettes Shorts and Snodres	Less Returns Inwards— 1 obacco Cigarettes 41030 Shorts & Sundnes 41030	Stock Jist March	
19	, d		1 1	-
. Ĕ	4		- 11	
G ACCOUNT FOR THE	17 532   8   4	5	7 517 896 81 81 6 063	113 6013
. 8	74		1	1 40 4
, v	4	-	<del></del>	
RABING	6 74 029 2 300			
Dr Tr	t April	Loxes  Los Returns Outwards— 10 Sundites  Lieb  Boxes  Lieb	Cririage Inwards . Wages (Manufacturing) . Lietire Power et c. (Including £18 outstanding) Balance Gross Profit c/d	
		529		

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		506 3275 247	347	67 - 429 10.289	
g -	1 1 1			1119	
				1 1	l
34 34	203	1 587	609	342	
To Rent Gas and Electric Light Add Amount awag	Rates and Taxes Less Amount paid in advance Less Insurance Less Insurance	Trade Expenses  Interest and Discount Bad Debts  Salarres  Add Amount owing	Travellers' Salaries Com, etc. Francis and Postage Offerent Raperses In Advertising and Samples Legal Raperses Rain Fee	Poporention— Polymer and Martinery (10% of 13 420) Fritziees and Fritings (74% of £1,160)	
	1   1   2   2   2   3   4   5   5   5   5   5   5   5   5   5	and Electro Light	Amount coung   182   2   4   4   5   5   4   6   5   5   5   5   6   5   5   5   5	1   1   1   1   1   1   1   1   1   1	A count count   A count count   A count count   A count count   A count count   A count count   A count count   A count count   A count count   A count count   A count count   A count count count   A coun

EXERCISE XV (E)-No 9 (contd.)

	3 420 = 6 & 6 d d d d d d d d d d d d d d d d d	22.745.5 10.05 10.	2 50 209
THE FI DORADO CIGARETTE CO LED Balance Shekt as at 31sf March 19	PROPERTY AND ASSETS Plant and Michinery Less Depreciation Fretures and Fettings Less Depreciation	Sindry Debtors Sindry Debtors (First Researce of £609) Casti in based on the standard advance for and the standard for and Loss Account (Balance) Profit and Loss Account (Balance)	
V CE	8		Ţ
SHEET		5 000 22 147 22 970 92	20 209
1 5	9		Q-
- 4	n 111		
H &	\$ 000 25 000 30 000	22 179 32	
	CAPITAL AND LIABILITIES & CAPITAL CEPTURE STATES OF \$1 000 000 Tractronce Shares of \$1 each 25 000 25 000 000 States of \$1 00	1000 Testerant Shares of £10 fully 1000 Testerant Shares of £10 fully 22 [779 Orders Shares of £1 each 101ly child, a Krears 101ly child in Arrears 52 Sunday Credition	

## EXERCISE XV (E) ~No to

ltem	Side of Ledger	- Reason
Bad Debts	Dr	Are losses to the business, being transfers of DEBITS on personal accounts
Cash	Dr	Receipts should, ordinarily, exceed payments, hence a  Dr balance
Goodwill	Dr	Being a purchase for cash, or other valuable considera- tion, is debited
Reserve Fund	C <sub>7</sub>	Is represented by transfers from the CREDIT of the Profit and Loss Account

## EXERCISE XV (E)-No. 11

Gross Profit is generally, understood to be the amount by which the SELLING price exceeds the FURCHASE OF MANUFACTURING cost of that which is sold

- Net Profit is generally understood to be the amount by which the GROSS profit exceeds the selling distribution, and administration expenses. The advantages obtained by arraying at the GROSS profit periodically are—
  - (a) The management are assured that the cost is less than turnover (b) If the profit is small at evidences the need of inquiry into price of
- maternal or as to whether the selling price is fixed on a lair basis (c) If the profit is large at may prove need for adjustment of selling price to induce further trade as it does not necessarily follow that a large profit is a sign of good business Prices may be probabitive of future custom (d) Fluctuations in the cross profit point generally, to the varying cert, or consumption of material, wages: etc., and undease the need for inquiry.

into adjustment re cost and sale price accordingly

## EXERCISE XV (E)-No. 12

See torm of Petty Cash Book on page 292 of Advanced Accounts and under Imprest System on page 16

IOURNAL Henry Jones Nov 2 To Goods Bills Receivable 500 To Henry Jones 495 Dec 5 Bank Discount (50 on /500 for 2 mos ) 500 To Bills Receivable £1 500

Note -- Until date of maturity discounted Bills will be stated in the Balance Sheet as under--

Contingent Liability— Bills under Discount

500 - -

## EXERCISE XV (E)-No 14

(a) The amount of Capital stated in the Memorandum of Association The item appears on the LIABILITIES side—entered short—of the Balance Sheet

(b) Calls in Arrears are sums due from but not paid by the shareholders. The amount is shown as a deduction from issued and paid up Capital. The item appears on the Liabilities sude of the Balance Sheet.

(c) Loans to Limited Companies secured by a mortgage on the property (or part of the property) of the Company The item appears on the Liabilities side of the Balance Sheet

(d) Preliminary Expenses are the direct expenses of a Company incidental to its formation registration incorporation etc. They are regarded as Capital Expenditure and appear on the ASSETS side of the Balance Sheet

R ENDFD 31ST DECEMBER 19 . Cr.	000,000	A/c (gross profit) b/d   12,000				000 21
(E)-No 13 TITRADING AND PROTIT AND LOSS ACCOUNT FOR WEAR EMBYD 3187 DECEMBER 19	By Sales Stock, 31st Dec.	By Trading A/e (gross profit) b/d				
OSS ACCOU	12 000 = -		200000	- 5	7,600	12 000
7	<del>- 422</del>	3		11	-	Ç
Z.	78			7.1		
H				400 000		
E	42			40	Ŀ	
PROL	*			40.1	<u>.</u>	- "
ND PROFI	*			40.		= 15
75 3 AND PROFI	9 			1.0	<u>.</u>	= 13
EXERCISE XV (E)—No 13 Dr. TRADING AND PROFI	To Purchases Wages Balance—Gross profit c/d	To Debenture Interest Income Tax	Office and General Repairs Directors Fees Discounts Preliminary Expenses		. Balance, Nar Profit	- 13

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UFACTURING	31sT DECEMBER
PRITISH MAN	Section C
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(contd)	
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١	December 4ND ASSETS										
١	A GW										
١	Date.										
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SALANCE SHEET OUT THE	L	Ŧ	40 000	2000	200	23 r	2 600		59 125		
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	1	9		Ą		Þ	SOUMS.	8			
	1	1 7 4 1 4	1			unpai	25.7	Balance 31st Dec			
	l	ċ	3			Tax	nd L	o e			
			,	2	5% Debutture	Income Tax unpaid	roft and Loss Account	Bala			
	1		٠	72 14	0	-	~				

See answer at end of Advanced Accounts

Interest may be paid to startishiders during a now revenue cann ag period which interest may be expitalized and regarded as part of the cost of the Vorice under construction. The safe per can must how recent of per cann per annum Payment of spain interest is restricted to the close of the half year erat after the 1-ill year during which the works have been activally completed. See also Advanced Account page 651 (under Interest on Capital paid out of Capital.) EXERCISE XV (E)-No 17

## EXERCISE XV (E)-No 18

Although it is permissible to so dispose of the Reserve Fund it is not considered a correct procedure. Premiums on Shares are regarded as cavitat profits and should be reserved for use unwriting down capital boxes or for artifulg down infingible assets such as Goodwill Poliminary Expresses etc.

THE BRITISH

			APPLICATION	AND
Application	Name	Address	Occupation Shares   Par	ount d on cation
2 3 4 5	Jones, John George, D. O. Flyon, Sir Wtn. Wing, Henry Sundry Persons	London First Dublin Dover	10 000 1,23 1 000 12: 5 000 62: 5,000 62: 40,000 5 000	

EXERCISE XV (E)-No zo

SOLEIL

APPLICATION AND

No of	Name	Address,	Occupation	No of Sharer Applied for	Amount Paid on Application		
1284	Rheid Robert Dewey, Geotge Richmond Robert Vertch Florence	16 Finibury Circus E.C. 251 Low Pavement Nottingham Eastwood Essex The Maose, Loamtown	Wood Btoker Lace Manufacturer Rose Grower Spinster	5 000 1 000 2 000 100 8 100	1 250 250 350 35 25 -		

EXERCISE XV (E)-No 21

BALANCE SHEET AS AT

Nomesal Capital—			1) 6	2	4	6	16
200,000 8% Preference Shates of \$1 tach			200 000	Ы	1		Ш
300,000 Ordinary Shares of [1 each	•	•	€500,000	H	-1		H
Paul ut Catulai				П	7	1	Н
100 000 6% Preference Shares of £1 each 200 000 Ordinary Shares of £1 each	•	•	100 000 200,000	1	3	300 000	H
First Mortgage Debentures Mortgage on Freehold Land and Buildings (as obeira Reserve Fund	, :		1	I	Ì	75 000 20 000 20 000	13
County Bank for Overdraft Trade Creditors			Ų.	ш	1	5 000 60 000	3
Profit and Loss Account (Balance)		:	-[[		1	15,000	٦

## AERODROM CO LTD

## ALLOTMENTS BOOK (ORDINARY SHARES)

No of Shares Allotted	Num	ictive ibers.	S L Fo	Amo Due Apple	on at e		Bala Due Allots	Ola	- 1	Pa d Allott	on		Cash Returned	of Shar	Remarks.
	From	To	1 1	Allots	neo	ıt.	1		-			- 1	1	اقع	
5 000 Nil 1 000 4 000 40 000	5 001 6 001 10 001	5 000 6 000 10 000 50 000		2 500 500 2 000 2 000	-	4	1 230 1 375 15 000	5	2	1 275 1 375 1 3000	5	ď	1°3 123		Letter of Regret No. 1
50 000	-		£	000 دس	Γ	١-	17675			176°2	П	٦	250	-))	

## D'OR LTD

## ALLOTMENTS BOOK (SHARES)

And of Shares Allotted	D stu Num From	nctive ibers	S L. Fo	Amount Due on Applicat on and Allotures	Balante Due on Allotuerni	Cash Padon Allotta nt	Cab Fig.	Remarks,
5 000 500 2 000 N I 7 500	5 001 5 501	3 000 5 500 7 500		2 5500 2500 1 000	1 250 1 d N d N0 d	1 2:0 500 -	23 £25	Letter of Regret No. 1

## 30TH SEPTEMBER 19

Goodwill (at cost) Loose Plant and Tools (as valued by the Company s Manager) Patterns (as valued by the Company a Manager) Fixed Anti-	£	5	ď	40 000 35 000 15 000	-	d .
Freehold Land, at cost Buildings at cost Additions at cost	39 000 2 000	-	-	20 000		-
Less Depret ation  Fixed Plant and Mach nery value #6 taken over by the Company Additions, at cost	41 000 1 000 140 000 17 000	Ŀ	-	40 000		-
Less Depreciation	157 000 7 006		-	150 000		
Eloatone Acadic— Stock in Trade (as valued by the Company's Manager) Trade Debtors Lass Bad Debts Reserve etc.	110 000 5 500	:		80 000 104 500		-
Preliminary Expenses				10 500 £195 000	-	Ξ

333 KE	Y TO ADVA	NCED A	CCOUNTS	
EXERCISE XV (F)-No		_		
Dr REDEEMABLE	PREFERENCE	SHARE	CAPITAL ACCOUNT	C#
19 June 30 To Sundry Members count	Ac £ 50,000	19 June 30	By Balance	b/d 55 00
D+ 1	PROFIT AND	Loss Ac	COUNT	Cr
J9 June 30 To Sundry Members' pount— Premium on Red ton of Redeet Preference Sh. Capital Redemptio serie Fund Balance	lemp- table	19 June 30	By Baiance b	H4 65 900
1	€50,000	}	ł	€60 000
		19 July 1	By Balance b	ooo e b)
SUNDRY MENBERS	REDBEMABLE	Prefe	RENCE SHARES ACC	OUNT Cr
19 uns 30 To Bunk	\$5.000	19 June 30	By Redeemable Preserve Share Capital Account Profit and Loss Account Premium of 2s pe Share on Redemphs	
			Share on Rodempto	£53 900
_ 1	(a) 900			-
Dy CAPITA	L REDEMPTIO	ON RESE	RVE FUND	Cr
		19 June 30	By Profit and Loss Account Amount transferred a respect of redempto of Redeemable Prefer	6
1	W 11	' '	ence Shares	35 000
(SUMMARY) B	ALANCE SHEE	T AS AT	30ти јене 19 .	
Aominai Capital	Ç	Sundry As	Assets mets mee (£85,000 ~ £55 000)	200 000 30 000
		trank gera	233 (00)	
Capital Redemption Reserve For Sundry Creditors Profit and Loss Account	50 000 75 830 5 000			(730 000

TOTTRNAT.

JOURNAL						
5% Redeemable Preference Share holders To 5% Redeemable Preference Share Capital Account Amount due on issue of 20 000 £1 5% Redeemable Preference Shares	£ 20 000	3	đ	£ 20 000	5	d
Bank To 5% Redeemable Preference Shareholders Amount received on issue of 20 000 £1 5% Redeemable Preference Shares	20 000	-	-	20 000		-
6% Redeemable Preference Share Cap tai Account To 6% Redeemable Preference Shareholders Transter of share capital redeem able	50 000	-	_	50 000		
6% Redeemable Preference Share Premium Account To 6% Redeemable Preterence Shareholders 5% premium on redemption of 50 000 £1 6% Redeemable Pre- ference Shares	2 500	-		2 500		-
Profit and Loss Appropriation Account To Capital Redemption Reserve Fund Profit set aside to meet requirements of Sect. 64 of the Companies Act. 1929	32 500			32 500		
Capital Redemption Reserve Fund (or Prohi and Loss Appropriation Ascount) To 6% Redemable Preference Share Premium Account Writing off of premium	2 500	1		2 500	-	
	£127 500	1	4	£127 500	Ŀ	1

EXERCISE XV (F)-No 3. REDEEVABLE PREFERENCE SHARE CAPITAL ACCOUNT Cr 19 . Sept 1 £200 000 To Members' Account By Balance £200 000 Sept 1 D+ MEMBERS ACCOUNT 19 To Cash C200 000 Sept 1 v 6% Redeemable Prefer ence Share Capital £200 000 Account  $D_r$ BANK ACCOUNT £290 000 Sept To Application and Allot By Members Account ment tackle Premium £112.50 CAPITAL REDEMPTION RESERVE FUND ACCOUNT Ce D By General Reserve Fund £87.3 Sept. 1  $D_1$ GENERAL RESERVE ACCOUNT 123,000 Sept I To Capital Redeemed Reserve Account Bal By Batanon Sent 8200 c/d 37,500 £125,000 £125 000 37,500 Sept. 1 By Ralince n. 5% PREFERENCE SHARE CAPITAL ACCOUNT Sept By Application and Allol £75,000 n. APPLICATION AND ALLOTMENT ACCOUNT To 5% Pro-Capital 112 500 Sept 1 Proterence Share Sept By Bank Account 25 000 Premium on Shares Ac count 37 500 £112 500 £112,500  $C_{r}$ D, PREMIUM ON SHARES ACCOUNT By Application and Allot £37,500 ment Account £200 000 \* Nominal Value of Shares Redeemed 112 500

Less Cash for New Shares (meludane Pret

(87 50n

EXERCISE XV (F)-N	0 4	
REDEEMABLE I	PREFERENCE SHARE CAPITA	AL ACCOUNT
Mar 31 To Preference Cap Rederaption count	ottal & s d 19 Mar 31 By Balance	£6 000 = a
Dr P	ROFIT AND LOSS ACCOUNT	Cr
Mar 3) To Capital Redemin Reserve Fund Preference Car Redemy on count Premium of 2 share on 6	ptal Ac	11 500 T
Dr CAPITA	AL REDEMPTION RESERVE F	TUND C+
	Mar 31 By Profit and	f Loss Ac 6 000
D, PREFERE	NCE CAPITAL REDEMPTION	ACCOUNT C+
19 Mar 31 To Bank	Account Profit am Count	are Capita
Dr	BANK	Cr
	Mar 31 By Preterent Redem	te Capital f

BALANCE SHEET OF BROWN, IONES & SMITH AS AT 31ST MARCH 1937

		AI JISI DA	ALTON TOTAL		
LIABILITIES AND CAPITAL Creditors Andrews Loan Account Capital Accounts Brown Jones Smith	8,390 7 260 2,000	1 917	Cash Debtors Stock Fazed Assets Goodwill	: :	1 396 - 3 721 - 5,600 - 9 600 - 4 700

EXERCISE XV (F)-No 6

The exception to the rule of converting all stems at the fixed rate of 2s 4d is that remittances must be converted at the actual rate prevailing when cashed so as to give the actual amount realized. The sterling value of the Head Office Account in the Branch Trai Balance must be taken at the value brought forward from the last balancing

The bill of exchange drawn on London will be treated as a remittance in transit The Branch will have credited the Head Office with the bill, but Head Office will not have made any entry It will therefore be necessary for Head Office to debit Branch Account and credit Remittance in Transit Account

## EXERCISE XV (F)-No 7

When an item of expenditure fluctuates heavily from one year to another, the annual charge against profits may be levelled by debiting Profit and Loss Account with a fixed annual sum and crediting a Reserve Account with the same amount and charging the actual expenses each year to the Reserve Account when closing the books at the end of each year is carried to the Balance Sheet. A well-known example of a reserve of this nature is a Repairs Equalization Reserve of which the following is an example—

	Dr REPAIRS E	which the following is an example QUALIZATION RESERVE ACCO	UNT Cr
Year	To Repairs Account Balance	cid 76 8 73 12 -	
١,	To Repairs Account	250 - 2 By Ba ance Profit and Loss & Balance	b.d 73 12
	To Balance Balance	b/d 26 8 - 3 By Profit and Lo. 6 c/d 123 12 -	
:	To Repairs Account, Balance	612 - By Balance c/d B9 - Profit and Loss	b/d 123 12 - 150 - 273 12 -
		273 12 - By Balance	byd 189

Dr Dr	GOODWILL	Cr 1
19 June 30 To Balance	b/d 1000 June 30 By D ssoint on Acco	unt 13 1 000
Dr	OFFICE FURNITURE	Cr 2
June 30 To B Jance	b/d 219 June 30 By Dissolution Acco	unt 13 219
Dr	SUNDRY DEBTORS	Cr 3
19 June 30 To Salance	b/d 1 403 June 30 By Dissolut on Acco	unt 13 1 403
Dr	WORK IN PROGRESS	Cr 4
19 June 30 To Balance	b/d 1462 June 30 By D stotution Acco	unt 13 1462
D <sub>7</sub>	CASH ACCOUNT	Cr 5
June 30 To Balance Fowler— Capital A	19   19   19   19   19   19   19   19	nt 7 189
Dr	SUNDRY CREDITORS	Cr 6
June 30 To Cash	5 199 June 30 By Balance	b/d 192
Dr	MUNDAY CAPITAL ACCOUNT	Cr 7
19 June 4 To Hait Goods Furn ture Debtors Work in Pr Cash	13 219 Current Account Share of Profit	b/d 8 1 500 721 13 1 740
Dr	MUNDAY CURRENT ACCOUNT	Cr 8
19 june 30 To Capital Acc	count 7 721 19 By Batance	b d 721

C1 9

1300

(3.041

Cr 10

10

Cr 11 Current Account 12 Work in Progress 13 11 Dusolution Cash Ct 768 £1.788 Dr Cr 12 FOWLER CURRENT ACCOUNT

3.41 luge 30 To Capital Account June 30 By Salance **b/4** 11

D, DISSOLUTION ACCOUNT Cr 13 June 30 To Goodwill June 39 By Munday-Office Furniture 219 Half of Goodwill 70.8 Sundry Debtors 1 403 9969··· Work in Progress Quarter of Good 1.462 ā 1,023 Profit on Dissolution will Munday 3 owlerlones 305 Quarter of Good 1 029 Fowler ń will Munday-219 Office Furnitur Monday 7 SIGN) Dettors oues-472 Debtor+ owler-11 221 Debutte unday-842 Work to Prom Jours-931 Work to Progress Fowler-Work in Progress 539 67 909 £7,999

Ó	
(F)-No	
×	
XERCISE	

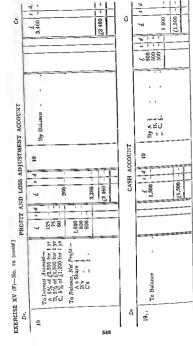
# FARNDALE & MACLEOD LTD

1 5° of £11 000 pl s 5% of £000 for 3 wear

## FARNDALE & MACLEOD, LTD

	BAL	NCB	SHE	1	5	BALANCE SHEET AS AT 31SP DECEMBER 19 .				1	1	
CAPITAL AND LIABILITIES Nominal Capital—75,000 Shares of £1 each	- 900 SZ	'B'		۲,	8	PROPERTY AND ASSETS Leasehold Premises Less Depreciation	30,500	W 1 1	7 1		, A	l vi
Issued Capital— 75 000 Shares of £1 each 15/- called 56 250 Less 500 Shares Forferted .	56 250					Plant and Machinery	11,600	101	<u> </u>	30.195	T .	1 1
Lets Calls in Arrears	55 875	111	-			Office Furniture	38	140	111	19		
g 6% Debentures—		+-	3, 3	5,800	1	Advertising Places	288	1.	77		_	
Debenture Interest accrued Forfuted Shares Account Reserve Fund Hank Overdeete			- 81	288	का।	Goodwill Stock Sundry Debtors	11,650		=	4,174	11	
Sundry Creditors Less Discount Reserve	1 250	114	-	9		Less Bad Debta Reserve [125]	2/6	- 84	9			
Wages Outstanding Profit and Loss Account- Current Year's Profit	2 339 12	2	1 2 60	200		Cath to hand Insurance prepaid	<u> </u>	ļ_	₹-	1,236 17	<u> </u>	<b>∞</b> 1 1
Lets Loss from previous year	001	1	61	2 239 12	61			=		_		
		_	29	67 124 12	61				16	67,124 12 6	101	1 (0





EXERCI	EXERCISE XV (F)-No 10 (contd) Dr		As	CAPITA	A S CAPITAL ACCOUNT	t NT	ð
2	To Cash Prawrngs B C		500 1 225 1 250 1 250 1 250	8	61	By Balance Interest State of Profit	2 500 2 500 1 125 1 600 24 225
â			BsC	APITAI	B & CAPITAL ACCOUNT	TNI	ò
61	To Cash the re- Realisation A/e 1 e — Sundry Debtors Furniture Drawnigs	2 682	2 807 634 634	7 11	81	By Balance Interest Slave of Profit Sundry Certifors Balance due to A	1 500 73 800 310 1 250 1 250 1 250
D,			C S C	APITAL	C & CAPITAL ACCOUNT	INT	ů
62	To Cash Realization A/c 1e — Sandry Debtors Drawings		\$00 2 087 7723 £3 310	P - 1	10	By Balance Litterest Share of Profit Balance due to 1	1,200 s d

# EXERCISE XV (F)-No. II.

## APPLICATION AND ALIOT

				*3	TYTHOAT	OM M	in there.
No of	of Apple cation Cation		Name	Appress.	Decupation.	No of Shares Applied for	Amount Paid on Applica trie.
2 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	;	25 944 0566 7	Liness, Thomas O Atlen, Percy F Sumpoor, Albert R. Roberts George T Peters Heary Creenham, Arthur O Sumthers, James Thomseon Edward E Martin Frederick P Short, Sampel Rethres, Philip J Earnard Retus O	CC Gold Harbour Lare, Redford Pirk Geles Marson, Franke or Heek San, Semisan va Echley T. Tooting Gaveney, S.W. Si Heb Street, Martina, Loode Lewborge Road Carlott Park Farn, Dronies J. Shengh Street Barlon P. Mertin Road, Decadily, W. Sa Lake Street Barlon J. Lapton Magnoer: Thompton Heath	Balert Centleman Clerk Barvster Butcher Coal Merchagt Farmer Brewer Clerk Stockbroker Geoort Major		(2500 2500 1,125 1,126 1

# SHAREHOLDERS' CASH

Date	Receipts.	F2 Attaces	Date	Payments	Fo	Ameri
19 22 22 22 23 3 4 4 5 5 6 6 6 7 8 8	To Application Account— Lucas T O Allen, P F Struppen, A. R. Roberte, G T Roberte,	625 2 300 30 430 1 125 1 230 1 230 400 605 607 1 375 1 9 782 p	15 15 15			9) 737 15 - 9,722 10 -

# MENTS BOOK (PREFERENCE SHARES)

No of Shares Allotted	Distar Num		S L Fo	Amm Due Applic	on ation	Balar Due Allotsa	on	Amo Pasd Allots	on	Cash Returned	No of Share Certificate	Remarks
Allotten	From	To	1	Alloti	nent			10,01		l	28	
2 000 6 000 Nil	50 001 52 001	52 000 58 000		1 600 3 000	2 d	375 500	. 4	37.3 500	s 4	£ s	d	Letter of
1 500 3 500 4 000	59 002 59 501 63 001	59 500 63 000 67 000		750 1 750 2 000		300 625 750		300 625 750	-			Regret No 3
3 000 1 500 2 000 N 1	67 001 70 001 71 501	70 000 71 500 73 500		1 500 750 1 000	= =	625 350 375		625 350 375		37 10	1	Letter of
1 500 5 000	73 501 75 001	7a 800 60 000		750 2 500 15 000	<u> </u>	250 1 125 (5 275		250 1 125 (> 275		<b>4</b> 67 10		Regret No 4
00 000		i .	1 -	1	داما	4.		2.010	_	20, 10		

# BOOK (PREFERENCE SHARES)

Date	Receipts.	S L. Fo	Amount	Date	Payments	S L. Fo	Amount	
19 )as	18 To Balance 20 Alfolment Account— Like P F Roberts G T Peters H Greetham, A O Smithers J Thompson E E. W Barbard R O	ia	9 725 1 3 375 500 300 625 625 750 859 875 250 1 125	19 Jan 20	By Transfer to General Cash Book		£ = 5000 -	4

CALL BOOK

30,000 [7,500]

First Call of 5s per share made

L o	Name	Address	Shares Held	Amoust Due	
	Barnard, R O Ruthven P J Martin, F P Thompson, E E Smithers, J Greenham A O Peters H Allen, O F Lucas T O Roberts, G T	15 Lipton Minasons, Thoraton Heath 29 Laba Shreet, Bashton 169 Tonge Road, Kealey 72 Shingle Street, Burton Park Farm Brunsley Leethorpe Road, Cardif Leethorpe Road, Cardif Firk Care Mannon, Fransley 62 Cold Harbour Lane, Bedford 24 Keble Street, Tooting Graveny	5,000 1,500 2,000 1,500 3,000 4,000 3,500 6,000 2,000 1,500	1,250 - 375 - 500 - 375 - 1,000 - 500 - 500 - 375 - 1,500 - 375 - 1,500 - 375 - 1,500 - 375 - 1,500 - 375 - 500 - 300 - 300 - 300 - 300 - 300 - 300 - 300 - 300 - 300 - 300 - 300 - 300 -	

# Preference Shares)

Vay 5th and payable by May 20th

Amount Paid	Amount Days	Interest	Calls Pard in Advance	Remarks
£   £   5   d   1   250   375   - 250   - 750   - 750   - 750   - 875   1 500   - 500   1   1   1   1   1   1   1   1   1	£ 5 d 31 500 - 31 31 375 31 41 125	f s d f [ 3 2 2 6] f [ 11] 10 f 4 15 7		Paid June 20th Subject to 5% Interest Paid June 20th Forfeited June 25th

# SHAREHOLDERS CASH BOOK (PREFERENCE SHARES)

Date	Receipts	Po	Amount	Date	Payments	Fo	Amou	1Et	
19 % 8 8 10 17 13 144 166 17 , 19 20	Marti: F P Thompson E E Smathers J Greenham, A O Peters, H Allen P F		2 50 3/2 20 75 75 75 75 150 875 150 875 100 100 106 175	312 76 E	3) Transiter to General Cash Book		6 1st	5	£
June 20	To F rst Call Account— Vartin F P Greenham A O Interest Account— Martin F P Greenham A. O		250 300 - 2 2 2 1 1 2753 3	June 29	By Transfer to General Cash Book	1	703	3	9

# EXERCISE XV (F) -No 13.

_					REG	IST.	ER OF TRAN
le le le le le le le le le le le le le l	Date Trans			TRANSFEROR S			
No. o	fer Regis tered	S L. Fo	NAME	Annaess	Occupation	S L.	Name
1 2 3 4 5 9	19 June 23 July 13 Aug 2 Sept 15 Nov 18 Dec 12		Lake R T Lake, R T Salverlock, J P	16 Bradford Road, Leeds 16 Bradford Road, Leeds Clere Park, Wanthorpe	Solicator Solicator Gentleman		Locksley N P Bullen F T Finchley Arthur Peninth Robt T

# FERS (ORDINARY SHARES)

TRANSFEREE S			SHARES	Transpes	:RE0	1 e 4	
Appress	Occupation	No of	Num	ncuve bers	Amount	of New	Remarks
		Shares	From	To	Paid up	సిస	
125 Coldthorpe Ave Brixton 12 Luke Street Bexlev 11 Jupiter Street Yeovil 11 Tower Street Bermondsen	Surveyor Schutor Solutior Leather Neschant	209 500 1 000 300 500 500	201 24 501 25 501 25 801 26 301	200 760 25 500 25 800 26 900 26 900	£ 5 d 373 750 275 375 375		

## EXERCISE XV (F)-No 14

# IOURNAL

19 Jan 31	Stock Sundry Debtors Cash at Bank Fixtures ete Leavehold Premises Goodwill To Sundry Credito ", Vendora' Accou	rs at			50,000 40,000 5 000 2,000 3,000 12,000	,,,,,,	d	12,000 100,000 £112,000	s d
--------------	--	----------	--	--	---	--------	---	-------------------------------	-----

	Dr	BANK ACCOU	INT	Cr
19	To Balance "Saarsholders Debenture holders	\$000 = - \$0000 = - \$0,000 = -	By Vendor , Balance o/d	100 000 5,000

D	)r	VENDORS	ACCOUNT	Cr
19	To Cash	100,000 5	By Sundries	100 000 1 4

# EXERCISE XV (F) No 14 (cond)

1	D»	SUNDRY SH	AREHO	LDF	RS		Cr	
19	To Share Capital	50 000 s d	19	Ву Са	sb		50 000	11
1	D»	DEBENTUR	RE HOL	DERS	s		Cr	
19	To Debentures	50 000 5 d	19	Ву Са	sh		50 GOU	
	Dr	SHARE CAPI	TAL AC	cou	NT		Cr	
			19	By Sh	arehold	lers	e0 <sup>2</sup> 000	11
	Dr	DEBE	NTURES	3			Cr	
			19	By De	ten tur	e hot fers	50 000	1
		TRIAL	BALAN	CE				
Stoc Suni Fixt Leas Goo Suni Shar	k Account k dry Debtors ures etc sehold Premises dwill dry Creditors re Capital Accou	nt	5 000 50 000 40 000 2 000 3 000 12 000		d	£ 12 000 50 000 50 000	s	d
	catanes		£112 000			/112 000	_	-

# EXERCISE XV (F)-No t5

# CONVERTED RANGOON TRIAL BALANCE

		Rate of Ex- change						
Cash at Bank Cash in hand London Account General Reserves Stocks Advances to Natives Buildings, etc Sundry Debtors Payments in Advance Reserve for Bad Debts Sundry Creditors	: :	All at 1/4	12,358 1,284 21,839 15,000 3 085 5 864 200	3 12 13 7 5	1 8 7 8 1 -	17,938 5,018 5,018 133 36 541 59 632	1 19 6 13	d. 10 10 8 9
							_	_

# HEAD OFFICE TRIAL BALANCE (ADJUSTED)

					_	_
Bills Receivable Investments Stocks Sundry Debtors Fayments in Advance Frayments in Advance Frayments Loss (Balance) Rangson Account Goods in Transit Account Cash at Bank Bills Fa-Able General Receives General Receives Receive for Debtors	2 000 14 000 5 000 25 000 21 200 17 938 521 3 500 40	\\ -	10 2	70 000 5 500 8 000 100	-	d
Sundry Creditors.	A 88,600	_	_	5,000 89 600	-	_

# THE EASTERN CO LTD Balance Sheet as at 31st December 19

v	-		92		- 64				,	٥			6	
1	s.		-							20				100
-	3		28 085	27 439 1	821 18			_		15,000	14 000	-	21 200	7130 060 113
ľ	S	œ.	7	1	_	= -	ĵ-		00	ī -		- 00		
ľ	4	Γ.	1 2	Ī		10	10	_	9		_	25		_
L	4)	3 085	21 839 13	8		8 SC+	8 864		233			15 858		
	PROPERTY AND ASSETS	Propert es Bu la gs Plant etc Rangoon London	Stock-Rangoon	London	Good n Trans t			<u> </u>	London	Advances to Nat ves	Investments B Ils Rece vable	Bank	Profit and Loss A c (London	
	s			_	2			a			_			7
L	10			_	6		;	<u>^</u>	_	_			_	3
	7		20 000		13018 1910			1			_			£130 060 13
	ø	_ 1		2		٥						_		
	- 5	_ !			1			<u> </u>					_	
1	72	20 000		5018	8 000	9	2 000			-				
	CAPITAL AND LIAB LITIES	Nom nal Cap tal 70 000 Shares of £1 each	70 000 Shares of £1 each fully on the	Ceneral Reserves	London	B s I ayabie Sundry Cred tors	Icangoon Branch							

# EXERCISE XV (F)--No 16

# THE CALL MANUFACTURING CO, LTD

TRADING AND PROFIT AND LOSS ACCOUNT

D) Fo	OK TH	E YE	AR E	DE	D	SIST DECEMBER,	15		٠,,		
To Stock 1 Jan. Purchases Less Returns Out	10,617	2 d 15 4	3714	19	3	By Sales Less Returns	20 31 4 307	# # 17 10 12 8	20 007	, ,	4
ward	196	19 5	10 420	J. J	Ы	Stock, 31st Dec.			4 402	В	15
" Manufactg Wages " Manufactg Expenses , Carrage Inwards Factory Fuel and			6 901 192 471		9 4						
power Balance Grees Proit c/d			172 2,53s	19	9						L
		ŧ	24,409	6	6			ι	24,409	6	8

## EXERCISE XV (F)-No 16 (contat)

# THE CALL MANUFACTURING CO LTD

#### THE CHIEF MILLIOTHER CO DIE

TRADING AND PROFIT AND LOSS ACCOUNT (contd)

To Rates Taxes and 1 t d 6 g d By Trading Account Insurance 472 19 7	2 535 19 9
Lets ant requard 1 10 6  Office and Manage 1  Salares  Chiefe Expenses  Ch	29 2 6 14 7 3 417 5 -

# THE CALL MANUFACTURING CO LTD BALANCE SHEET AS AT 31ST DECEMBER 19

LAP TAL AND LIAB L TIES U minal Capital U 000 Ordinary Shares	ť		ı	4	1	PROPERTY AND ASSETS Freehold Prem ses Plant & Mach nery	<b>(</b>	: d	3 200	-	4
of [1 each sn ed Caphal to 000 Ord nary Shares	000	-		\		Less Deprec ation Furniture & Fittings	194	5 4	1748	8	
of £1 each July called Fest Calls in Arrest			16 000 250		Ľ	Less Depretation	-6	14 4	127	12	
B l s Payabi			15 750 981	uε	,	Stock Sundry Debtors	8 617	5 -	4 400	Ī	5
Sundry Cred tors			3 410	ľ	1	Less Debtor's Re-	430		B 186	١,	
			1	Į	l	Cash at Bank Cash in Hand	240	9 10	249	J.	١,
			ľ	l	ŀ	Rept Sub-let Insurance prepaid			2:	J.	T
			!	1	L	Balance of Profit & Loss Account			200	۷.	Ĺ
		6	70 (4	10	16	Ü		-	20 144	13	1,10

The invoices for drums received will be recorded in an analysed Purchase Day Book, containing a money column and a number column for drums bought. The individual invoice totals should be posted to the credit of the accounts of the respective uppliers, and the total of the drums column to the debit of the Drums Account. On the issue of drums the charge therefor should These we columns should be used to analyse the charge for goods and for drums and provision should be made for a column grying ne included in the invoice and entered in the Sales Day Book having two analysis columns in addition to the regular ones EXERCISE XV (F)-No 17.

facilities for ascertaining the total number of drams issued. The Returns Inwards Book should be analysed in the same way as the Sales Day Book The respective drums columns totals in these two books should be posted to the credit and debit of the Drums 98 1,475 £6 425 Value 880 Price No od Prama 24,000 ķ Oruma savoiced to Customera Stock in Circtometa' Hands Keserve against Debiors Profit and Loss Account Second hand Drum New Drama DRUMS ACCOUNT e e 66 425 Price Vanie This Account would then appear as follows-No or Drum, 35888 2 000 27 000 Journal etumed by Customers Reserve Against Debtors itock in Customers Hands To Stock at Works-Shootd hand Drum. Very Drums urchasse Account Une 30

Account with the drums in their bands at 6s each carrying down the 1600 and deducting this figure from the gross debtors in the Balance Sheet. The value of the drums in the hands of debtors must then be taken into the Drums Account as stock at a It will be necessary at balancing time to adjust the sundry debtors to their net value for goods sold by debiting the Drums valuation and their value shown in the Balance Sheet as stock of drums in the hands of customers

# EXERCISE XV (G)-No 1

# JOURNAL

Business Purchase Account To Vendor Purchase price of business	20 000 s d	£ s d
Freehold Property Flant and Machinery Stock Office Furniture A Amold N Norman Goodwill To Business Purchase Account Being sundry assets taken over	5 500 2 000 7 000 200 450 550 5 550	à1 250
Business Purchase Account To K Kirkdale N Norton Being creditors taken over	£ 205	700 500
Business Furchase Account To Bad Debts Reserve Reserve for bad debts created	5h	00
Vendor To Ordinary Share Capital A/c Preference Share Capital A/c Bank Being shares and cash paid in dis charge of purchase price	20 000	10 000 5 000 5 000
	£62 50b	€62 500

# EXERCISE XV (G)-No 2

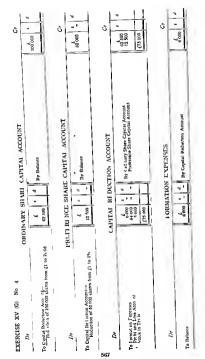
# JOURNAL

,				_
Business Purchase Account To Liquidator of old company Agreed price of business as per con- tract dated	40,000	i. d	£ 40 000	s. a
Liquidator of old company To Ordinary Snare Capital Account 49 009 folly paid £1 shares issued in satisfaction of purchase price of business as per contract dated	40,000		40,000	
Bunness Purchase Account To Sundry Creditors To Reserve for Bad Debts Creditors taken over and bad debts reserve of old company continued	28,107	-	24,725 1,382	
Patents and Trade Mark Plant and Machinery Stock Sindry Debtors To Business Purchase Account I ransier of assets acquired under contract dated	5,003 21,674 15,306 23,124	4411	68,107	
	£172,214	13	£172,214	4-

}	<u> </u>	,	*'	- }
3		į	31	
	35 955 9 500	ı	£110 £10110 6 527	1000
No 3 TRADING AND PROFIT AND LOSS ACCOUNTS OF GEORGE RIDLLY LTD FOR THE YEAR BENDED SIST MARCH 1997	Dy Sace 31st March 1977		By Green Presis beaught from Deficien 1  By Nest Trading Presis brought from Sect on 11	
SA	~ ' '		e1 11 1	-
SOL				
AND I	8 500 22 000 220 3 200 3 200 650 675 10 110		188 188 750 750 750 768 852 768 852 768 852 768 854 100 100 100 100 100 100 100 100 100 10	5 385
1 × ×	4 1		-	
ROF.	-		•	
ďΟ P.	208		340 8320	
EXERCISE XV (G)- No 3 TRADING AN Dr	F. North, In Arra 1996.  Little State of Companies of Com		1. C. C. C. C. C. C. C. C. C. C. C. C. C.	Trainmary Lepence without a Goodwill writen of Net Profit

EXERCISE XV (G)-No. 3 (contd)

, , , , , , , , , , , , , , , , , , , ,		-			-							
BALANC	E SH	3	ð ļ	0.13	5	Ξ	BALANCE SHELT OF GLORGE RIDLEY, LTD AS AT 31ST MARCH, 1937	1937				
CAPITAL AND LIABILITIES		-	=			-	Assars	-	-		Ĺ	4
scherred Captal-	4	-	ч	30 000	- '	Ψ,	r cost	10 000	•	10,000	•	-
		Ì	Ī	Ī	Ì	Ϊ		878	•			
35,009 Ordinary Shares of £1 each, fully paid rade Centitors				35 000			Motor Lorries at cost	2 200	Ļ.			
Travellers' Communico	120	•	1.1	0,0,4			Office Pittings at cost	300	-	980		
	388	ī			_	_	Stock in Trade		L	2002	7	
ront and Lots Account Balance			Π	5,352	•	1	ier Bad Debts	\$ 20 4 20 4 30 4	• •			
							Cash at Bank Cash in hand	2 264	ļ. -		٠.	
					_		Insurance paid in advance Goodwill at cost Less Amolais written off	2 2 2 5 5		8.8 8.8 8.8		
					_	_	ě	900	┼-			
	_		_	100	Ì	T		Í	<u> </u>	ĝ	1	- 1
	_	_	=	140.010	ı				_	648 078		



Co L	S CO	1.00 mm / 1.00 m	com to 12
PHOHIT AND LOSS ACCOUNT	ALOR I D. LIMB.	INJANCE SHIJIT OF AUTONOMED TO LID GASS REPUGGING A STATE MAKEN 179  The age control to the season of the season o	000 9977 For to
EXERCISE XV (G)No. 4 (could.)  Di. Distance	1) tutine	And the state of t	Sun ire Crediture

## EXERCISE XV (G) -No 5

# JOURNAL OF STRUCTURES LTD

Erectors Ltd To Realizat on Accoun Being a reed purchase price of business assets	122 800	5	d	£ 122 800	s	đ
Reshization "coount To Frechold Premises Plant and Machinery Stock in Trade Work in Frogress Sundry Debtors Cash at Bank and in Hand Assets sold to Erectors Ltd	130 300			40 000 50 000 14 700 8 350 15 280 1 970		
Sundry Creditors To Erectors Ltd Creditors taken over by Erectors Ltd	19 800			19 800		-
Shares in Erectors Ltd To Erectors Ltd 30 000 Shares in Erectors Ltd at 20s each issued to outs de share holders in Structures Ltd	37 500		-	37 500	1	
Share Capital Account To Shares in Erectors Ltd Distribut on to shareholders of Shares in Erectors Ltd	37 500	-		37 500	1	-
Share Capital Account To Realization Account Profit and Loss Account Transfer of losses	50 000			7 500 42 500	Ì	-
Debentures Share Capital Account To Erectors Ltd Cancellation of Debentures and Share held by Erectors Ltd	53 000 12 500	-	-	to 500		-
	€463 400	L		(463 400		

# EXERCISE XV (G)—No 5 (contd ) IOURNAL OF PRECTORS LTI

Business Furchase Account	103 000	5	ď	£	5	d
To Structures, Ltd . Agreed purchase price of business	103000			103,000	-	1
Business Purchase Account To Sundry Creditors Liabilities taken over	19,800	-	4	19 800	-	
Freehold Premises Plant and Machinery Stock-in Trade Work in Progress Sundry Debtors Assh at Batk and in Hand	35,000 47,500 14,700 8 350 15 280 1,970	11111	11111			
To Business Purchase Account Fransfer of assets acquired			-	122,800	4	-
Structures, Ltd To Share Capital Account ,, Share Premium Account ,, Investments—	103 000		1	30,000 7,500	-	-
Debentures in Structures Ltd Shares in Structures Ltd 30,000 Shares issued at 25s each including 5s prensum and can cellation of Debentures and Shares			1	53,000 12,500	1	=
Profit and Loss Account To Shares in Structures, Ltd Loss on investment written off	5,000	-	1	5 000	1	_
1	(353 600	7	7	(353 600	7	E

# EXERCISE XV (G)-No 6

(a) Strictly speaking there should have been an actual inteltaking on the june 1983 and Funal Accounts prepared then As however this bas not been done, the profits for the year ended 30th September 1938 should be ascertanced it may amount has been charged in these accounts for directors remuneration 4 should be added back to the profit for the year, the resulting farce being apportunous that the pre-incorporation and the incorporation period in the proportions that the pre-incorporation for the year of the proportion which is the pre-incorporation for the year of the proportion of the pre-incorporation and the incorporation profit with the pre-incorporation and the proportion which is the pre-incorporation from the proportion of the proportion of the pre-incorporation profits will be—

 $\frac{(£7,000 + £700) \times 49,000}{70,000} \approx \frac{£7,200 \times 4}{7} = £4.400$ 

The remainder of the profit is attributable to the post-incorporation period (b) The pre-incorporation profits should be put to the credit of a Capital Reserve Fund

# EXERCISE XV (G)-No 7

# JOURNAL.

Business Purchase Account	18 500	d £ s
To Vendors (X and Y) Agreed purchase price of business	10000	18 500
Bus ness Purchase Account To Sundry Creditors Bills Payable Loan on Mortgage	6 600	3 500 400 2 200
Reserve for Bad Debts Luab lities and reserve taken over		500
Ba « Sundry Debtors	300 a a00	1
Bills Receivable Stock in Trade	7 000	0
Plant and Wach nery Land and Buildings	3 500 3 000	
Patterns and Models	1 000	
Loose Tools To Business Purchase Account	800	21 600
Transfer to asset accounts of assets acquired		
Goodwill To Business Purchase Account	3 500	3 500
Value of goodwill represented by balance of Business Purchase Account		
Vendors (X and X)	17 000	
To Ord nary Share Capital Account 51 per cent Cumulative Pref		12 000
erence Share Capital Ac		5 000
Issue of 12 00t Ordinary Shares and 5 000 Preference Shares in part satisfaction of purchase price of business		
	£67 200	€67 200

Dr	CASH BOOK	Cr
To Balance	300 By Vendors (	an ( \)   1 500   s   d

# 2800 AS AT 1ST JANUARY 19 Land and Buildings at cost Plant and Machinery at cost BALANCI, SHELL OF THE RAPID I MCINEERING CO LTD ASSRT Lorse Tools at cost Stock in Trade Sundry Debtors— On Open Accounts On Bills Receivab EXERCISE XV (G) No 7 (contd.) Autorized (aps a — Occionary Share of () onch of percent from ative Freference Share of () of the CAPITAL AND LIABILITIES

1,000 (100 pile Browns) 1,000 (100 pile 1,00

\$ 000

Isoned Capualty | James of 61 each 101 y paid | 1000 Crimons | 1000 Crimons | 1001 54 per cent Cumulative Preference shares of 1 acet 1019 paid

572

Loan on Mortense Bank Overdra! Sundry Creditor Bills Pavable

2000

624 306

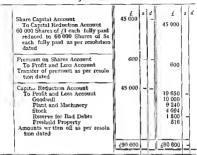
(24 300

	_	_	t 1 d 2750 f d By Grove Pront becaught wown 318	; <u> </u>	REMOVED 31st Decremen 1939 spiroven fine company of the company of
	1500   1500	(40) 1.750 (40) (40) (40) (40) (40) (40) (40) (40	1 200 1 200	1	
	600 610 611 612 613 614 615 615 615 615 615 615 615 615 615 615	1 250 1 250 1 2 24	1 200 1 200	1	Factory Charges Rent etc
Factory Charges Rent etc	69 647 666 666 666 666 666 666 666 666 666	98-647 7-10-00-00-00-00-00-00-00-00-00-00-00-00-	2 1 20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1	
198 Park Profit brought down 198 Parkey Charges Rent etc	60 20 20 20 20 20 20 20 20 20 20 20 20 20	20 Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z Z	6 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1   2   2   2   2   2   2   2   2   2	
(19 816 By Net Frost brought down	690 \$0	069 9.0	600 600 600 600 600 730 730	Comparison   Com	
19.169  (19.816)  19.89  19.89  19.89  19.89  19.89  19.89  19.89  19.89  19.89  19.89	_		138 888 988 2310 1756	1	3,6
12 17-9 12 17-9 12 19-9 12 19-9		_	8530 8530 8530 8530		1 250

EXERCISE XV (G)-No 8 (cont.)	No.	<u>څ</u>	1110	_									
-	1	=	MLA	NCE	SIE	E	BALANCE SHIFT OF A B LTD	m	LI	D AS AT 31ST DECEMBER, 1939			
CAPITAL AND JAMELTING AUTHORIZE GPINE SO ON OCCURATORY SHORTS	•	· .	74	•	-	7	,		v	Freehold Tyrm see at cost 1 to 1 d 1 l l l l l l l l l l l l l l l l l	0,8,6		- * 1
Isased Capital- 21 000 Ordinary Shrees of Ct each Gifty paid	1			27.000			8	1	1	_	609		
10,000 Ordinary Shares of £1 each, 10t per Share called op	000								_	Custures and Fittings at cost 1.280 84	20010		
_		1	11	4 500	ij	1	25 500			Stock in Frade Hills Receivable Swidry Debtors	22.5	111	
Sunity Creditors Profit and Loss Account			•				1,528	141	,,,	Cash at Bank . 3.298	102	•	
	_	_		_		_					93	-	
							_		_	Preformacy Laprates 399	10 No.	, ,	
							640,648	П			(40 b4N	1.1	11
		-			-			-		7 7 5			_ [

# EXERCISE XV (G) No 9

# JOURNAL



#### BALANCE SHEET

Catal	4	Freehold Property Plantand Machin	€	8 514
Capital— Authorized and Is sued 60 000 Shares		ery Stock		10 000 16 376
of 5s each fully paid Sundry Creditors	15 000 40 350	Sundry Debtors Less Reserve for Bad Debts	21 290 1 500	
		Cash		19 <b>7</b> 90 6 <b>7</b> 0
	₹55 310			£55 350

# EXERCISE XV (G)-No 10

(i) A company issuing bonus shares is enabled to utilize the assets represented by the profit made as additional working capital. From the share bolders point of view they receive shares which they can turn into cash by selling them if they so desire their original boldings still remaining intact.

If the profits are not largely increased the distribution of profits over a larger number of shares will reduce the rate of dividend paid. This may be considered expedient to conceal from workers the fact that high dividends are being paid. If the company desires to maintain the same rate of dividend

576

as before it will have considerably to modify its reserve policy unless it earns larger profits

The issue of bonus shares may encourage speculative dealings in the shares, and cause the market value of the shares to fall though the market value

of the total holding may be greater No sur tax is payable on a bonus share distribution

(11)	JOURNAI			
	Reserve Account To Bonus Account Bonus payable out of reserve in fully paid shares as per resolution dated	10,000	5 d	10,000
	Bonus Account To Share Capital Account Issue of 10000 bonus shares of gl each in payment of bonus at the rate of one bonus share for every ten shares held in the company on an issued capital of £100,000	10 000	-	10 000
	[	£20,000	17	€20 000

# EXERCISE XV (G)-No 11

	JOURNAL	_		_		_	_
19	Reserve Account To Bonus Account Bonus payabe out of Reserve in fully paid shares as per resolution	40 000	5	d	£ 40 000	5	٥
	Bonus Account To Share Capital Account Issue of 40 000 bonus shares of f1 each in payment of bonus at the rate of 1 bonus share for every 5 shares held	<b>40,0</b> 00	-	-	40 000		
	,	80,000	_	-	80 000		-

EXERCISE XV (G)-No 12

IOURNAL

19	Final Call Account To Share Capital Call of 5s per share on 150 000 shares as per resolution	
	Reserve Fund Account To Bonus Account Bonus of 33\frac{1}{2}\text{non } £112 500 paid up capital	-
	Bonus Account To Final Cell Arount Application of bonus in payment of final cell	-
	£112 500 £112 500	1

EXERCISE XV (G)-No 13

JOURNAL

Ordinary Share Final Call Aco	ount 16 666 13 4 6 s d
To Ordinary Share Capital Call of 3s 4d per share on it shares as per resolution dated	00 000
Reserve Fund To Bonus Account Bonus ot 20 per cent on files 8d paid up Capital declar of reserve fund as per resedated	ed out
Bonus Account To Ordinary Share Final C Application of Bonus to dis of Final Call as per resolution	charge
	£50 000 £50 000 -

# EXERCISE XV (G)-No. 14.

# JOURNAL OF BLACK & WHITE (The entries to close books of old firm)

19	Realization Account To Land and Buddings Machinery and Plant Stock Sundry Debtors In restments	50,950	d	22 065 12,800 10,760 4 250 1,075	5	d. 
	A Company . To Realization .	60,000	-	60,000		-
	Bank (for sale of Investments) To Realization	1,075	-	1,075		-
	Realization Account To J Black (4 share of profit on Realiza	10,125 -	-	5,062	10	-
	tion) , W White (1 share of profit on Realization)			5,062	10	-
	Bank Shares in A Company To A Company	10 000 - 50 000 -	-	60 000	-	-
	Sundry Creditors To Bank	3,700 -	Н	3,700	-	-
•	J Black's Capital Account W White's Capital Account To Shares in A Company	30,000 - 20,000 -	1	50,000	-	-
	J Black's Capital Account W White's Capital Account To Bank	5 062 16 5,062 10		10 125	-	_
		(215 975 -		£245 975	-(	pila .
						-

# JOURNAL OF A COMPANY

••			11			الدا	,		ł
19	Land and Buildings		- 1	22 065		4	Ł	ľ	ı
	Land and Dulldings		II.		1 -	-		1	ł
	Machinery and Plant		- 1	12 800		-(1		ſ	t
	Stock.		- 1	19 760	-	- }		1	t
	Sundry Debters		II.	4 250	-			!	I
	Coodwill		-11	10,125	j -	-JJ		}	ŋ
	To I White & W	Black	- 4		1 1	1 1	60 000	۱ -	J

# EXERCISE XV (G)-No 14 (contd)

JOURNAL OF A COMPANY—(contd)
(The entries to open the books of the new company)

19	-	Messrs J White & W Black (Vendors)	60,000 €	s d	£	s	ď
		To Ordinary Share Capital Bank			50 000 10 000		Ξ
	Ī	Sundry Shareholders To Ordinary Share Capita <sup>1</sup>	50 000		50 000		
		Bank To Sundry Shareholders	50 000		50 000		-
			£220 000	<u> </u>	£220 000		
EXE		E XV (G)—No 15 LRNAL OF THE BIRGET ENG	INEERIN	G CC	LTD		
19 July		Application A/c (Ordinary Shares) To Ordinary Share Capital £1 per share on 1 100 shares	f 100	s d	1 100	2	d -
		Application A/c (Preference Shares) To Preference Share Capital £1 per share on 5 800 shares	5 000		5 000	-	-
•	9	Allotment A/c (Ordinary Shares) To Ordinary Share Capital £4 per share on 1 100 shares	4 403		4 400		-
,	9	Allotment A c (Preference Shares) To Preference Share Capital £2 per share on 5 000 shares	10 000	-1-	10 000	-	-
	4	Patents A/c To Sharp & Short (Vendors)	40 000		40 000	-	-
	9	Sharp & Short (Vendors) To Ordmary Share Capital For issue of 3 900 shares of £10 each as fully paid to vendors in part payment of purchase price of patents	39 000	-	39 000		-
Oct	9	First Call A/c (Ordinary Shares) To Ordinary Share Capital £5 per share on 1 100 shares	5 500	-	5 500	-	-
	9	Tirst Call A/c (Preference Shares) To Preference Share Capital f2 per share on \$ 000 shares	10 000	1-	10 000	Ŀ	-
		2- F	£115 000	1 -1 -	£115 000	1-	1 -

S (contd.)	
(G)—No z	
×	
EXERCISE	70

CASH ROOK

THE BIRGT FUGINFERING CO LID BALANCE SHEET AS AT 31ST OCTORER 19

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	PROPERTY AND ASSETS, arts	,		
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	tal— fal— of /10 each	of £5 each		••
	apital—	ares of £5 each		
	LIANILITIES &	Shares of £5 each		
	ND LIVINITIES	nce Shares of £5 each		
	L AND LIABILITIES  I Issued Capital— mary Shares of All one h	erence Shares of £5 each [25 0]		••
	und Issued Capital—  and Issued Capital—  Columnary Shares of (10 con h	paid Preference Shares of £5 each realted se Calls in Arrange		<b>1</b>
	CAPITAL AND LIABILITIES  ###################################	ully paid 00 Preference Shares of £5 each 11 yealted 25 of 25 of 25 of		
	CAPITAL AND LIABILITIES  ominal and Issued Capital— 5 000 Ordinary Spares of (10 cach	fully paid 5 000 Preference Shares of £5 each 1019 called Les Calls in Arrans		
	CAPITAL AND LIAMILITIES  Nominal unid Issued Capual— 5 000 Ordinary Shares of (10 cach			

# EXERCISE XV (G)-No 16

	R		

		_ jour				
19 Jan	1	Business Purchase Account To Vendor s Account For purchase price of business as per agreement dated 1st Jan	60,000	s d	60 000	s d
	1	Stock 17 Trade Vachunery and Plant Loose Tools Bills Recenable Cash at Bank Coods II Sundry Debtors To Buss ess Purchase Account For assets acquired to per agree ment	10 000 25 000 4 000 2 500 5 000 10 000 20 000		76 500	1-
•	ι	Business Purchast Account To Sundry Creditors Bills Payable Bid Debts Reserve I or liabilities taken over as per agreement	16 500	-	10 000 5 000 1 500	-
	1	Vendor's Account To Or linner Share Capital 20 000 shares of 21 each issued as fully paid to vendor To 5°9, Debentures 200 bonds of 1000 each repay able in 10 years at 105 issued as fully paid to vendor	50 000		25 000 25 000	-
"	2	Application Account (Ord Shares) To Ordinary Share Capital 10/ per share on 15 000 shares	7 500	-	7 500	-
"	1	Allotment Account To Ordinary Share Capital 10/- per share on 15 000 shares	7 500	-	7 500	-
		TOTAL OF JOURNAL	(218 000	i-j-	/218 000	

## EXERCISE XV (G)-No 16 (contd)

i	Dr		CASH BOOK						C+		
			Ви	nk		1		Ban	k.		
Jao 1	To Balance , Application Account , Allotment Account	L	£ 5 000 7 500 7 350 9 850	للا	I9 Feb	•	By Vendor (Balance of pur chise money) Balance (/d	10 000 9,830 9889	宁美		

Note —The totals of Journal above differ from the answer given in Astanced Accounts The figures in the textbook are arrived at as follows—

	Debit Side	Credit Side
Total of Assets (including Goodwill) Total of Liabilities (including Vendor's Account) Journal Entries for- (a) Vendor's Shares and Debatures (b) Application Account (c) Alconneut's Account JOURNAL AS TEXTBOOK Answer	76,500 50,000 7,500 7,500 (141,500	76 500 50,000 7,500 7,500

SE XV (G) No 17	IT JOI	2 2	SMITH FOR TH	ANT	THE JOHN SMITH AND STITLI MIB CO 1TD THE JOHN SMITH AND STITLI MIB CO 1TD	Ó
Dr	1		1	}-		2 8 4 6 8 4
	<u>,</u>	s	1,670	2		?
To Stock and Materials 1st Jan Purchases Fees Returns Outwards	35 720	_	9		Returns Inwards 31st Doc.	49 035
Mages Minufacturing Expenses Balance Gross Profit c/d			8 241 2 163 6 110			\
		_~	55 795			7 29 295
5.3	_	_				=
ć		Ĕ	D Isode	MIR	PROPOSID VIIROPRIATION ACCOUNT	ò
To Proposed Share Dividend	*	8	11,00	s	By Prout and Loss Account	£ s d 1 322 s d
(2½% on Share Capital Pild B) 1 ( {44 800}) 2. Balance			202	_		
		_	71 322			1,1322

EXERCISE XV (G) No 17 (cont)   THT   DIV SUITH AND SITTL AIR CO (TD)   HAART VILLA AS 38: DECEMBER 19   Los breasters 19   Lance Villa Air Colors   Los breasters   750   4   6   Los breasters   750   4   6   Los breasters   750   4   6   Los breasters   750   4   6   Los breasters   750   4   6   Los breasters   750   4   6   Los breasters   750   4   6   Los breasters   750   6   6   6   6   6   6   6   6   6			2						1
17   Cont.   1			9	7 125	6 760	11 761	3 599	300	50 689
THE   DOIN SUITH AND STITT ALE CO   TD			.a ,	11	Į.			1	- 4
17   COM   1   1   1   1   1   1   1   1   1			"	1	i –	T		7.1	
77 (cond.)  17 (cond.)  18 (cond.)			7 500	11 650	12 380	619		100	
rries  v railed itt [  v railed on stribution		STELL VIB CO 1TD Het December 19	PROPERTY AND ASSETS Leavehold Premises Less Defrectation	Machinery and Plant Less Depreciation	Stock Will	Less Bad Debts Reverce	John Smith (for amounts, guaranteed by him)	Preliminary Expenses Less 4 written off	
rries  v railed itt [  v railed on stribution		ξ ¥	8			_	-		$\overline{}$
rries  v railed itt [  v railed on stribution		۶ ک	69			_			i
rries  v railed itt [  v railed on stribution		SMITH SPEELT A	3		300	1 300			659 05
rries  v railed itt [  v railed on stribution		2 %	73	1					-
rries  v railed itt [  v railed on stribution		E N	59						
rries  v railed itt [  v railed on stribution		PIT JC	9	45 000	8				
	EXERCISE XV (G) No 17 (rould)	F	n Liabicities	of £1 each	Fees 200 Shares I orferte I	Profil an I I ore Acount	Dalance 4Vallable for discharged		

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Bank  ACCOUNT  19  By Card 1 e with the Mark Total 39 4 Foodwall (2 000 Less { Deprecatation of Plant (3809) (200) (200) Less { Deprecatation of Plant (3809) (200) (200) Less { Deprecatation of Pla		Cooperate Majemban Progress   Coop	Preference States of 2   125 000   Abortiman Pletters
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EXERCISE XV (G) -- No 19 (contd)

#### EXERCISE XV (G) No 21

	E XV (G) No 21 PROFIT AND LOSS ON REALI	ZATION ACCOUNT	Cr
19 To	Real sation Account (12mb 11st 12st 12st 12st 12st 12st 12st 12st	By Cap tal Accounty R for Los S, to Loss I to Loss	£ 3 4 950 ° 6 19 0 ° 6 73 849 10
Dr	CASEL ACCOUN	т	Cr
19 To	Reshtzation account f. b. u a 4 19	By Sundry C ed ors  R Loan a cou t Cop a Acco n = R S	5 500 2 163 8 981 4 405 1 050
Dr	R's LOAN ACCO	UNT	Cr
19 To	Cash 7 163 5 4 19	By Balance of Loan and Sha e of Profi In crest a, 8	£ 3 4 2 100 63 42 163
Dr	R s CAPITAL ACC	OUNT	Cr
10 T.	Sh re of Loss on \$ 1		11 000 s d
Dr	S & CAPITAL ACC	OU\T	Cr
19	o Share of Loss on Realization Share of T Over 677 15 6 600 17 Ca.h. 677 16 600 17 7000 1	By Balance	7 000 3 4

# EXERCISE XV (G)-No 21 (contd)

T'S CAPITAL ACCOUNT

OVERDRAWN)

Dr	(Overdrawa)	Cr_
To Balance  Interest @ 5%  Share of Loss  Realization	f   20   10   19 -   By Cabad Accounts   K, 44 there   K, 45 there   K, 52 there   K, 52 there   K, 53 there   K, 53 there   K, 53 there   K, 54 there   K, 54 there   K, 55 there   K	1,058 16 6 673 16 10,732 12 6

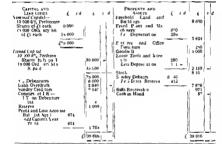
#### EXERCISE XV (G)-No 22

THE AL MANUFACTURING CO, LTD
TRADING AND PROFIT AND LOSS ACCOUNT

Dr	FOR THE YEAR ENDED 31ST MARCH, 19	Cr
To Stock, 1st April , Purchases , Manufactg Wages Coal and Coke , Balance, Gaoss Front, c d	2.650	30 608 - 6,102 -
To Discounts  "Sa'aries and Comm.  sion  Rent, Rates, Taxe  and insurance  Directors Fees  Directors Fees  Directors Fees  Early Engenses  Bad Debts  Discount Reserve of	803	
Debtors (5°, (8,240) Demetheron Fixed Plant ar Machinery (5°, (5 920) Love Tools, et (71°, et (2,280)	ad of 296	
Bal., NET Profit	(3,622	(5 622 -

#### EXERCISE XV (G) -No 22 (contd)

# THE XL MANUFACTURING CO LTD BALANCE SHEET AS AT 31ST MARCH 19



#### EXERCISE XV (G)-No 24

#### A COMPANY LIMITED

#### TRADING ACCOUNT

Dr Fo	OR THE YE	AR ENDED	31sr December	19 .	Cr
To Stock 1st Jan Purchases Less Returns Outwards , Carriage lowards Manufetg Wages, Manufetg Wages Factory Fuel and Power , Balance Gross Profit e/d	9 716 10 4 114 5 11	\$ 417 8 9  9 602 4 5 198 4 7 3 496 12 9 5 14 3 1*7 10 9 000 2) 7e7 141-	By Sales Less Returns Inwayda , Stock	24 141 14 316 10	23 873 4 2 902 9

#### A COMPANY LIMITED

#### PROFIT AND LOSS ACCOUNT

Dr Fo	R TH	E YI	EAR E	DED	31st December	19 .		Cr	
To Salaries Works Manager's Commis (1°s)	٤		1	6 d 10 4	By Trading Account Geoss Profit b/d	£	s d	9 000	
of £9 000) Carr Outwards Coneral Laps Rates Taxes and			B14	6 11	Appropriation Account (Credit Side)				
Lighting and		П	e .	14 7	By Bal 1st April	743	6		Ш
Stable Expenses		Ш	247	6 (1	Profit	4 54>	15	1	П
Bad Debts Interest and Bank		Ш	148	11		£5 269	1 -		и
Charges Provision for Bad		il.	47	10 -	(Debat Side)	1	ΙĪ		Н
Debts (5°, ot 57 814 10s 0d).		11	200	14 6	To General Mana		[ ]		П
Depreciation-		Ш	1		(3°, of £4.545	227	5 0		Н
chinery (10°, of (1 972 105 0d.)	197	11	3	ìТ	Balance to Bal	2 061			П
Fixtures etc	19)	1		11	# ## Sacet				Н
(5°, ot (947 6s	47	2 4	E]		li I	£5,289	11 -	9	ŧΓ
Horses & Carts	100	14:	344	12 4		l	t i l		ш
Balance Nat	j	ы.	12	(15) -	Ø.	ll .	111	0	1
t tout t/a		ш	1	-					
ì	1	11	£9 000	1-1-	7	1	111	€9 000	<u>_</u> _

#### EXERCISE XV (G)-No 24 (contd)

#### A COMPANY LIMITED

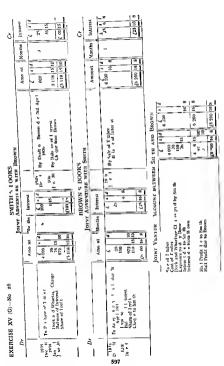
#### BALANCE SHEET AS AT 31ST DECEMBER 19 .

CAPITAL AND LIAGILITIES Nominal Capital— 10 000 Shares of £1 each	10 000			•	,	d	Peoparty and Assers Freehold Works Plant & Machinery Less Depreciation	4 1,972 197	10 5		2,500		d
Issued Capital 8 000 Shares of fi each, fully paid		٦		8 000	ļ	Į	Horses and Carts Less Depreciation	516 100	10	-	1,775	10	
Bank Loan Sundry Creditors General Manager's				1 000 5 416	10	3	Fixtures & Fittings Less Depreciation	847 47	6 7	8	899	19	4
Works Manager a Commission Profit & Loss Ale—		1	ĺ	227 90	5	9	Goodwill Stock Sundry Debtors	7,814	10	-	3 000 2 962	9	î
Bal avadable		1		5 061	15	3	Less Bad Debts Reserve Cash at Bank	590 754		8	7 423	15	8
	1	1			1		Cash in Hand Unexpired Rates &	14	10	2	768	22	2
			4	19 795	"	H	Jusurance			4	19 795		:

#### EXERCISE XV (G)-No 25

# TRADING AND PROFIT AND LOSS ACCOUNTS OF ROSE PINK & LILLEY

Dr	FOR	TRE	LEAR L	\DPI	31st March 1937	Cr	
Fo Stock 31st March 1936 Purchases Gross Profit car ned to Section 11	£	s d	6 291 3 059 7 558	: d	By Sales Stock 31s March 1937	45 691 5 217	
ned to secondit			(n0 998			£50 808	-
To Salaries & Wages Heating and Light		Ш	1 825		By Gross Profit from Section I	7 108	
Telephone and Insurance Office Expenses I an Expenses Rent and Rates			113 190 475	-			
Postages and Stationery Advartising Bank Charges Bad Debta Depreciation of			102 348 84 329	1.4			
Vans Depreciation of Furniture and Fitings	130	w	72				
carried to Sec	ï		3 672			U	П
	1		£7 558			£7 508	
To Interest on Capital Rese Pu k	312 168		480		By tet Trading Profit from Section 11	4 672	-[
Rose Fink Liller	1 796	:					
L. mry	13	-	J 192	- -			



282 000 78 580 15 000 28 000 8 450 6 200 428 480 PROPERTY AND ASSETS Prehmmary Expenses BALANCE SHRET AS AT 31ST DUCEMBER 19 . and and Buildings lant Account Sundry Debtor nvestments BRUCE BROS & CO IIIwbook Stock 25 000 8 000 18 485 7 520 369 475 428 480 8 370 000 400 000 Balance available for distribu 3 700 Shares of £100 each CAPITAL AND I IABILITIES
Nominal Capital— 4 000 Shares of £100 each Issued Capitalcalled up Less Calls in Arrears 45% Debentures -Profit and Loss Account-Reserve Fund Sundry Creditors

# EXERCISE XV (G)—No 29 CHATENAY'S BOOKS

## IODENAL

Business Purchase A To Vendor (Abe		Dr	120,000	s đ	£ 120,000	1	-
Freehold Works Machinery and Plar Sundry Debtors Stock Cash in hand . Goodwill To Business Pur		Dr Dr Dr Dr Dr Dr	38,000 37,860 18,764 22,440 976 20 000		136,040		
Business Purchase A To Sundry Credi ,, Bank Loan		Dr	16,040	-	14,040 2,000	111	
Vendor (Abel Chate To Ordinary Sha Issue of 40 000 ordi each, fully paid	re Capital nary shares	of £1	99,000	-	40,000		
of purchase price To 6% Preferent Issue of 50 000 6% of £1 each, fully ment of purchase	of business be Share Capi preference sl paid in part	tal parcs			50,000	-	
			1000 000°	17	£362 080	J	_

Dr	BANK Acc		Cr
To Ordinary Share C., Preference Share tal	1001al 69 000 - 4 Cap 50 000 - 4 Cap 50 000 - 4 Cap 50 000 - 5 Cap 600 600 600 600 600 600 600 600 600 60	By Vendor ,, Balance old .	£110 000 -

Dr	BUSINESS PURCH.	ASE ACCOUNT	Cr
To Vendor (A Chater Sundry Creditors Bank Loan	120 800 120 800	By Frehold Works Machinery etc Sandry Debtors Stock Cash in hand Goods if	26 000 37 850 18 764 22 440 976 20 000

# CHATTNAYS ITD

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BALANCE SHEET AS AT	Γ	ø		
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	F			100 000 Ordinary Shares of
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	Į	CIPITAL AND LIABILITIES		É
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	ı	27	200	900
	1	Ç	Nominal Capital-	₫
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_	Freehold Works Nachinery and Plant Goodwill Stock Sinck Sinck Sinck Sinck Sinch in Hand	Cash at Bank					
2							
٠						1	-
4				100 000	000 00	14 040	£216 040 -
8	( )	71			_		_
49			_				_
7	100 000	£200 000		_		_	
CIPITAL AND LIABILITIES	Nominal Capital— 100 000 Ordinary Shares of I sach 100 000 I reference Shares of L each 101 000 U.		Issued Capital-	of one fully paid	of £1 each fully pr d	Sundry Creditors .	

603

£216 040

#### KEY TO ADVANCED ACCOUNTS

#### EXERCISE XV (G)-No 29 (contd)

	VENDO	R'S (ABEL CHAT	AYA) YCCOL	41	C <sub>7</sub>	
1	To Cash , Ordinary Share Capital ,, Pref Share Capital	\$ 40,000	By Bus ness Account	Furchase	£ 120,000	

Dr.	ORDINARY SHAPE CA	PITAL ACCOUNT	c
To Balance of 3	\$100 000 a d	By Lendor Cash	£0 00 €0 00
		By Balance b/d	£100 00

D+	6% I	Preference Share	CAPITAL ACCOUNT	C+
To Bal	ance o/d	100 000 = -	By tendor	50 000 50 000 
		_1 .111	By Balance b/d	£100 000 -

#### EXERCISE XV (G)-No 30

#### X CO, LTD

CAPITAL AND TRABILITIES Nominal Cabilai	£	4	ď	PROPERTY AND ASILES	28 000	
60 000 Shares of £1 each £60 000 Israed Capital— 47 590 Shares of £1 ea h fully				Stock Goodwill (equal to Two Years Purchase of average profits)	9,000 2,000 7,000	
paid Sundry Creditors	47 599 3 000	-	4	D-bto's Cush at Bank Preliminary Expenses	590 2 000	3
ď	50 599	3	=	E	50 593	Š

Preliminary Expenses, in this case, consists of-

- (a) Cost of registration
- (b) Law costs (c) Printing and statemery.

#### EXERCISE XV (G) No 32

#### JOURNAL

19 July 1	Freshold Bu Idings Buildings Plant eto Plant eto Stocker Stock	20 000 15 000 17 500 22 500 20 000 14 250 5 735 15	5	đ	100 000 3 050 11 950	S	d
		£115 000	-	П	1115 000	1	-

#### EXERCISE XV (G) No 33

#### JOUR\AL

	Dr   18 750 5	d	£	. \$	14
Share Cap tal Account To Profit and Loss Account		Ĺ	18 750		-
Reduction of 75 000 Shares of [] each f to 75 000 Shares   135 each fully pa	d as per				
Order of the Court dated	i			}	l

å				-					I
	To I urchases	30 000	200			3	By Work certified for	25 000	90
	Sundry Expenses I lant and Mach nery Blance (estimated Profit)	1 5 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	888				Materials on han I and work done (not cet find for) Plant and Mach nery (less 10% Depreciation)	4 500	
		782 000	18	7	_			/82 000	
			ŀ	╀	1				П
à			٥	N.	I VCI	CONTRACT No 2	01		Ů
1	70 P rebases Wares and Salares Sindy Expenses Plant and Machinery Eslance (estimated Froft)	80 000 56 000 1 500 3 500 11 150	88888			61	By Work certified for Makerials on hand etc Plant and Machinery (lass 10% Degree also s)	142 <sup>5</sup> 500 6 500 3 150	*
		7152 150	8		1			(152 150	T
			-		-				

#### EXERCISE XV (G) -No 36

#### READ OFFICE JOURNAL

19	Australian Manager To Bank	5 000	5	đ	£ 5 000	S	d -
	Capital Expenditure Account—Wages To Australian Manager	1 000	-	-	1,000		
	Capital Expenditure . To Stores Account .	500			500	1	-
	Mining and Milling Account— Wages Salaries Salaries Soundry Expenses 200 Stores Account To Australian Manager	) ii	111	1.1	3 400		
	Mining and Milling Account To Stores Account	700	1	1	700	-	-
	Austrahan Manager To Bullion (Safes)	2 400	1	1	2 400	1	-
	Bullion (Stock)	500		1	500	Į	-
	4	13 500	:	-	13 500	1	-

1 No 37 1HI WAY-GIDE BOOT CO 11D STAT DELEVIETR 19 C7	1	19.7 1 Starks 51st Dec - 13.241   13.24	3945	7.55	6.27 (19.24) (19.74)	1173 By Tech ng Account 19246		2.5 Q & & & & & & & & & & & & & & & & & &	* \$ \$	2.59 No. 2.59 To 2.51	290	_	146 10	3321
W III	Ξ	<del>-</del>		=}	- 18	_	1		=		=	Ξ	_	F
- 1	445 H	1243	85	22		53	1323					=	£ #	
EXERCISE XV (G) No 37	Dy IRADING AND LOSS AND LAND L			Wakes of Factory Less Amount Lad! Advance	c a Heat city and Mater Roses and Lack a Balance Gaoss In Ft	To Rent Rates Tates and Insurance	fest i surance unesp red	Man Ret S lory lep ato M l nery clo lep at E M c we leave I M m m m	he tag a a district of the tag and district of the tag and district of the tag and tag	f terest on De entures Directors Tres Directors Tres Directors Tres		I thin bis Meserve (amo ni pro he B) I epra i ton Buildings (21% of £18 442)	Nach nery, etc. (10°a of L7 455) Horwsand Vans	Role on Nat Profit chi

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THE WAYSIDF BOOT CO 1 TD

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EXERCISE XV (G)-No 38

Dr

To Wynearde Co Ltd

(bhares rece ved)

19

#### BOOKS OF WANNE CO LTD BUSINESS REALIZATION ACCOUNT C+ D. 19 261 352 19 32 628 By Sundry Cred tors To Sundry Assets Wyngarde Co Ltd (Total of pur 608 32 500 Cash (Expenses thase price of Real zat on) Debenture holders 2 500 butinessi (Premium De ntu es) Su dry Sha en drs (Pofit on Ral 3 676 gat on transf r d (269 1 8 768 128 Note - The Purchase price of business is arrived at as under-1 (1) 150 000 fully paid Shares of /1 each 150 000 (2) Cash 30 000 (3) Payment of Debentures at a premium of 50 52 500 TOTAL (237 500 Dr THE WYNGARDE CO LTD Cr 19 19 To Business Realisa By Shares A c Debentures 150 000 t on A/c 239 500 50 000 Debenture Prem Cath € 32 500 (237 500

L	Dr Share Capital Accorni	Cr
19	To Sandry Shareh d m 150000 s d 19 By Bala	10J 000

SHARES ACCOUNT

By Systeholders

(Strares stra

150 000

ı	07	SUVOR	Y SHA	REHO	LDERS	Cr	
19	To Shares A/c , Cash (£30 000 less De poutes of Reali satton)	1:0000 29:400		19	By Capital A/c  Reserve A/e  Profit and Loss 4/c  Bus noss Resistation A c  [Padit on Realization]	150 009 20 030 5 724 3,676	

D	r	DESENTURES	Acco	DUNT	Cr
19	To Debenture bolders	5000 1 4	19	By Balance bill	50 000

Ď	D <sub>2</sub>	BENTUR	E-HOI	DERS	ACCOUNT	C+	_
19	To Wyngarde Co , Ltd	52 500 £92 500	: d	19	By Debentures Basines Realisa tion A c (Frem. on Debs.)	1 2,500	3 3

The 'Reserve Account" and the 'Profit and Loss Account" are closed by transfer to the Sundry Shareholders Account"

## BOOKS OF GARDE CO, LTD

Ď	Pu Bu	SINESS REALI	ZATION A	ACCOUNT	Cr
19	To Sundry Assets "Cash (Fapenses of Realization) "Sundry Shareh d rs. (Profit on Realization) matter transfer d)	8 III	19	By Sandry Conditors  a Wyngarde Co. Life (Fotal of par, chize price of business)	199-S 110 000 -

Note - The Purchase price of business is arrived at as under-

	fully-paid Shares of £1		100,000
(1) 100 000	runy-paid anares of £1 (	racn	
(2), Cash.			10 000

TOTAL . . £110,000

	)r	THE WYNGARDE CO	LTD	Cr
19	To But ness Rea z	110 000 - 110 000	By Shares A/a Cash	100 030 10 000 F110 000
	)r	SHARES ACCOUN	ıτ	Cr
19	To Wyngarde Co L (Shares receive	100 000 5 4 19	By Sundry Sha eh! r (Shares d st btd)	100 000
1	) <sub>r</sub>	SHARE CAPITAL ACC	20c 41	C+
19	To bundry Sharebd	100 000	By Balance b f	100,000
	D <sub>r</sub>	SUNDRY SHAREHOL	DERS	C,
19	Coss este	100 000	By Cap ta A c Reserve A c	100 000 3 000 3 687

ı			GARDE CO LTD	Cr
19	To Cred tops  [Label t es taken o er Sh res i art pa ment of Furthase prior) Felent ures (to) a. Cash (do)	35 628 150 000 -	By Sunday Assets  By Sunday Assets  Goodwall A.e	"61 3y" 6 776

#### E (ERCISE XV (G)-No. 28 (contd.)

	Dr. Lig	UIDATOR OF THE GA	RDE CO, LTD.	Cr
19	To Creditors (Liabilities take over) Shares (Part payment Purchase purce) Cash (Payment of ha of Purchase prior)	100,000 10 000	By Sundry Assess "Goodwill A/c	128 640 - 1,318 - 1,318 - 1
1	Or _	SHARE CAPITAL AC	COUNT	C+
19	To Balance of	350,000 5 4 19	By Wwite Co or Garde Co . Sundry Sharehits By Balance hid	150 000 - 100 000 - 2.50 000 - 100 000 - 2.350 000 - 350,000
L	),	CASH ACCOUNT		Cr
19	To Cash from fired from Whene Co Garde Co , Sundry Sharehore	£ 2 4 19 13 3 4 1 100 000   *£120 136 €	By Wynne Co (Debentures paid off at a premaum of 3%) Wwne Co (Bulance of Pur chase proce) Pet dealer of Pur chase proce) Pet manary Eaps. Bulance of Pur chase proce)	90 000 - 10 000 - 1 200 - 2c,375 - 4120 136

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THE WYNGARDE CO LTD Baiance Sheet	PROPERTY AND ASSETS Lan 1 and Buildings Plant and Maduner Stock in Trade	Coodwill
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E WYN Bai	4	
H	[ _ g _	_
n	f   s   d	_
10.		_
% - No 38	CAPITAL AND HAUHHTES OF THE CAPITAL AND HAULES OF THE CAPITAL ADD THE STATES OF LI EACH	
2	AND rpital	tal-
EXERCISE XV GI-No 35 (mid.)	CAPITAL AND 11 Nominal Capital— 400 000 Shares of	Ism I Caputal

117 890 54 145 69 196 45 094 71 758 19 877 26 376

405 586

m the Balance Sheet is armed at as follows-Preliminary Lypenses Sundry Debtors 3ills Receivable Bank 350 000 985 5019 value of GOODWILL as stated Issu (Capital-350 000 Shures of £1 each fully pull Sundry Creditors

Curde to a Account Wynne Co Goodwill Account of the Carde Co Conjust Account of the -0E3 Note -The

Balance of Liquidator of Wynne Co s Account

Balance of liquidator of

# EXERCISE XV (G) No 39

ry 19 .	OPERTY AND ASSUTS
lsr Ju	PROP
AT.	-
A.S	B
Surbt	5 3
MALANCE SHEET AS AT 1ST JULY 19	1 4
	3
	ABILITIES

THE UNIT CO LTD

156	1 000	1	000 86
PROPERTY AND ASSUES	Banl Formation Personal	•	
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1/3		_ '	Ļ.
		8 000	000
7		88	18
*	-	- 89	186
3 4	1	88	186
*	- 000 0517	88	36 7

1

#### EXERCISE XV (G)-No 39 (contd) JOURNAL OF THE ESS CO. LTD

19 July 1	Investments Account Dr To Cash Purchase of 1500 Ordinary Shares of \$1 each to the Unit Co, Ltd , by B (Manager)		5	đ	€ 1 500	5	d
--------------	--	--	---	---	------------	---	---

<del></del>	JOHNSKE OF THE LEE CO	1	, T.U.	·	١.	١,
19 July 1	Investments Account . Dr To Cash To Cash Purchase of 1500 Ordinary Shares of 41 each in the Unit Co Ltd by F (Managet)	1,500	5 1	1 500	•	-

Note -The purcha e by The UNIT Co LTD of the whole of the Ordinary Shares of both companies would be dealt with through the TRANSFER REGISTERS etc of the respective companies

# JOURNAL OF THE UNIT CO. LTD

19 July	1	To Ordinary Share Capital To Ordinary Share Capital Purchase of 50 000 Ordinary Shares of £1 each (at par) by the issue of 50 000 Ordinary Shares of £1 each as fully paid to the Ordinary Shareholders of the Ess Co, LTo	£ 50 000	s d	£ 50,000	3	d -
,,	I	Investments Account To Ordinary Share Capital Purchase of 30 000 Ordinary Shares of £1 each (at a premium of 50° a) by the issue of 45 000 Ordinary Shues of £1 as fully paid to the ordinary share holders of the Tee Co L	45 000		45 000		-
*	1	B. Manager of the Ess Co LTD To Ordinary Share Capital Issue of 1,500 shares of £1 each	1,509	11	1,500		

#### EXERCISE XV (G)-No 39 (contd)

#### JOURNAL OF THE UNIT CO LTD -(contd)

19 July 1	F Managing Director of the Tee Co 1 TD To Ord nary share "apital Issue of 1 500 shares of 1 each	£ s d	£ s d
1	B nk To B Vanaging Director of Ess Co F Vanaging Director of The Co	3 000	1 500 -
1	Forn at a Faje ses To Bank	2 000	2 000 -

#### EXERCISE XV (G) No 40

## JOURNAL OF A CO LTD

19 E 1	Bullet Re Izatio A count De	87 110   <sup>5</sup>   <sup>d</sup>  .	1	s d
•	To Cood vill	or 1.10	35 000	
	I reel old I and & B ild n > 1	111	15 650	
	Na hinery and Plant	111	3 210	
	Lixture and I ttings	111	850	1
	n lry Debtors	1 1 1	10 990	1
	Stock	1 1 1	4 660	
	b est sents Cash at Bank etc	i	14 650	
-	5: Irv asset take 10v z by BC		2 100	-
	1 Irs Cred for D 10 Bus ness Real zation Ac 1 The hab little stall on over by B Co	7653	7 650	-
	I B to Dr	197 609		
	To Business Real zation A c l urchase price of business as p r terms agreed to as at 1st Jan	197 50.4	107 600	
•	Bu ness Realization Account Dr     Fo Debenture holders     Sindra Sharehol lers	28 140	ьол 27 э40	-
	Transfer of premium on lebe	111	1	

#### EXERCISE XV (G)-No 40 (contd )

#### IOURNAL OF A CO. LTD -(cont.)

19	V.	£	,	d	£	s	ı
Jan. I	Share Capital Account . Dr Reserve Fund Profit and Loss A/c (Cr balance) To Sundry Shareholders . Transfer of balances	47,500 15 000 4,960	-	-	67,460	-	-
, 1	Debentures (A Co 's) . Dr To Debenture holders Balance transferred	12,000	-		12,000		-
a, I	Shares Account (B Co 's) Dr Debentures Account (B Co 's) , To B Co Recept of /12 600 debentures and 142 000 shares of 10/- each share in part payment of purchase price of business	71,250 12,600		-	83 830	-	-
1	Bank Dr To B Co Ltd Balance of purchase price received	23,750		1	23 750	-	-
» I	Sundry Shareholders  To Shares Account (B Co's)  Cash Issue of 142 090 10/- B Co's shares in exchange for 17 500 shares in A Co and payment of cash as per arrangement	95 000			71 250 23 750	-	-
,, 1	Debenture-holders Dr To Debentures (B Co's) Issue of 6% debentures mex change for debentures in A Co	12 600	-		12,600	-	-
		₹525 160	-1		(525,160	_	-

Note—The Purchase price of business taken over by B Co is arrived at as under-

(1) Payment by B Co of A Co's Debentures at 105% by issue of 6% Debentures
(2) Payment of 10/- pre share to each of A Co's share-holders by B Co
(3) Issue of three 10s shares (at pay) for each f1 share

to the shareholders in A Co by B Co 71,250

TOTAL - - £107,600

#### EXERCISE XV (G)-No 40 (contd)

#### JOURNAL OF B CO LTD

19 Jan 1	Freehold Land and Buildings Dr Machi tery and Plant F F xures and Jitungs F xures and Jitungs Stock Cr h at Bank and in hand Goodwall (28 000 4 128 140) To Sundry Creditors Sundry assets and inabilise taken over as per agreement of 1st Jan 19	15 650 3 210 850 10 990 4 660 14 650 2 100 63 140	7 850 107 800
1	L quidator of A Co To Share Cap tal 6° Debent re Cash Payment of purchase price of bus nos by suc of 14° 000 10' shares f1° 600 8° debentures and balance in cash	107 600	71 °50 12 600 °3 750
		272 950	/22° 850

EXERCISE XV (G) No 41

#### JOURNAL OF X CO (OLD)

		` '	
19	Business Realization A/c Dr To Land and Buildings , Plant and Machinery , Furniture and Fittings , Stock , Sundry Debtors Cash at Bank, etc	29,704 s d	£   5   d 2 300   2 108   415   3 691   12 674   8 516
	Sundry Creditors Dr To Business Realization A/c	5,674	5,674
	Business Realization A/c Dr To Cash (Exps of Realization)	43 -	43 -
	X Co (NEW) . Dr To Business Realization A/c	57,450	57 450
	Shares Account Dr Cash To N Co (NEW)	50,000 - 7,450 -	57 450
	Capital Account Dr Reserve Fund Profit and Loss Account To Sundry Shareholders	18 000 7 450	40,450
	Business Realization A.c. Dr To Sundry Shareholders	33 377	33,377
	Sundry Shareholders To Shares Account. Cash Investments	73 827	50 000 7 407 16 420
		1297 975	297 975

The above entries correctly posted will close the books of X to , Ltd. (old)

Each of the five shareholders received

- (1) 10 000 £1 shares
  - (2) £3,284 investments.
  - (3) £1,481 8s. m cash.

THE X CO 11D (NEW)

BALANCE SHERT AS AT 1ST JANUARY 19	PROFERY AND ASSLES Land and Buildings Plant in 1 Mach nery turnitive and 1 ithings	Coodwill Stock Sun fry Del tors Isank Gash
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I3A	25 000	
	Capital, and Liabilities & Capital Capital Capital Capital 75 000 Ordinary Shares of 11 each 775 000	Issue ( Capital— 50 000 Ordinary States of J. each fully pro 1 Sundry Cre liters

5 600 3 500 3 500 3 600 1 691 12 674 585 14

55 674

EXERCISE XV (G) No 42

72 674

JOURNAL				
	47	- s	42	- \$ - \$
1 Heat Bights Sundy Debtors Goodwill To Liquidator of D Co	2 8 900 10 900 10 900	7	55 600	
Liq dator of D Co	\$5,000	_	200	
I reference Share Capital Premium on Shares			22 000 10 000 10 000	
	7110 000	11	600 0113	+:

EXERCISE XV (G)-No 42 (could),

A CO LTD.	ALANCE SHEEF	PROPERTY AND ASSETS.
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		ABILITIES

40,000 60,000 10,000 25,000	20 000	
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> E # 8 s	•	
PROPERTY AS Land and Buildi Machinery Nateri Rights Goodwill Sundry Debtors Investments		
PROPER Land and Machinery Patent Rig Goodwill Sundry De	Bank .	
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orthograph and Labeltines orthograph and Capital— reach 75 000 Preference Shares of £1 75 000 Preference Shares	Issued Capital— 70 000 Ordinary Shares of £1 each 75 000 Preference Shares of £1	Debentures Reserve Premium on Shares Sundry Creditors Frofit and Loss Account
Nominal Capital— 70 000 Ordinary 75 000 Preference	30 25	of the state of th
~	22	DEFE

# THE SANDICATE

			BA	3	BALANCE SHELT			
CAPTAL AND LIABILITIES ( Blist Pay lide Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites Toughtspites	10 000	<i>a</i>	40 000 6 000 40 000 20 000 11 750	N)	PROPERTY AVD 18881 Freebold Lord and Buill as Freebold Cortages Leashbold Property Variat and Mac mery Vacor Vet des Freeboures a Littings Forters a Littings	4	~	97 500 17 500 100 000 10 000 12 000 14 000 15 000 16 000 17 000
Badey Manufacturing Co Ltd (Nendots)			273 000		erve	35 000 -	1	

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Investments Inland Revenue Clu m

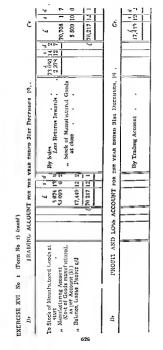
2392 750

Let shartholder would secure  $\frac{\mathcal{L}_{150\,000}}{\mathcal{L}_{150\,000}}$  shares in exchange for each  $\mathcal{L}_1$  share is  $\mathcal{L}_2 - \mathcal{L}_3$  share.

	Dr. (a) Paint Cost trees aspect the present of the paint				4	Ę	٤٤	(a) Paran Cost Account	IND		-						હ	
1 🗗 62	To Stocks at 4 mt	27.3 12 to 7.00 12 to 12.00 12	~ 72 ~ =2	~ 73			7	13. S.	By S ocks at pussh— Row M eteriols Portly manufa	derin magu	actur.	ecks at pussh 14,916 13 2. Party manufactured Goods . 10,109 16, 5	72	~ 55	# 52 E	7		*3 ·
	. Preph and Carring on Raw Viteraly Troubtine Was			<u> </u>	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	12 14	7-1	#	dance () manuta (6))	Prink	trail	Balance (Prime cost of Liouds manufactural transferred to (b))	!	i -	i —	9 #	11 18 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	5 21
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EXERCISE XVI-No 1 Form No 1) contd )

	2 5	29 193 9	6 54 835 19 8
(b) Cost of Production Account		Creed to Teaching Accounts	8 0000 8 II.
9	5	2 200	5 6 1
	3	1 312 12 1 194 13 306 5 1 910 10	2 485 9 4
Dr	10 Jrune Cost of Goods Mann Internet as part Account (a) Integration of Lactory Overhead on Letty mapufact d Goods		Interest on Capital Outlay on Print Machinery Tools Land and Buildings
		625	



EXERCISE XVI No 1 (Form No 2 D)	2 LRING	Ş	Š	IN	2	7	(form No 2 MACOUNT FOR THE YEAR KIDED 31st DYCEMBER 19	ò	-1	
	3	( <del>-</del> -	=	7	- 47	10 5	Bu Trade Price of Goods Vison	19	rg .	
It shows at variable with Water its Coods	6 273 11 7 985 12		7.0	Š		3		F)	90	
Porthases of Raw Materials		-	<u> </u>	22 437 16	200	9				
Lets. Storts of finish Rew Materials of finish A 1916 113 Justile manufactured Good" 10 dus 16	10 463		18 22	36 697		-				
				331		-		_		
To Carrings and Freight on Raw Manufacturing Wages			- 4	419 3 2 587 18	.20	9 61				
Paint Cost on Papet Ction	9 0%0	=======================================		44 418 112	12	-				
+ I roportion on Partly mrn ufactured Goods 1st Jan	1 396 18		w.		_					
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EXERCISE XVI-No 1 (Form No	(Form No 2) Lontd)				
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To Stock of Manufactured Good, at start Manufacturing Account (Trade price of goods)		£ s d 5 674 1.3 9 58 472 1 8	_,	By Sales Less Returns lawards 2 778 12 7	b s 3
Lets Stock of Manufactured Goods at close		64 146 15 5 509 10		ļ in 🕏	
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EXERCISE XVI No 3 (b)

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								6	31												

FRADING ACCOUNT FOR THE VEAR ENDED 31ST DECEMBER 19,.

By Sales of Cloth-8 123 330 8 675 P 40 785 75 016 9 528 To Stocks of Cloth 1st Jan —
At Mills,
At Warehouse
At Bleachers and Dyers Bleaching Dyeing and

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61 728 1 160 906 1 12,614 1 40 753 76 017 8,426 Stocks of Cloth 31st Dec -At Warehouse At Bleachers and Dyers Sales of Bought Goods At Malls White Dyed 141,653 11 28 487 273 273 65 114 40 702 12 11

100 950 18

(Amount transferred) Amount transferred)

Goods Purchased Proteng Carringe Packing :

Balance (Gross 1'rofit) Weaving Account Spinning Account

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EXERCISE XVI-No 4		1			31.1	د	THE NEWBELL BRICKWORKS					
Dr MANURACTURING	L GWA	9	2	Accor	IN.	FO.	ALANURACTURING AND TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19	2	- 1	3		E
To Coal Consumed	"	8		897 256	- 200	-	By Br ck Sales Stock of Bricks 31st Dec	9 671 18	18 8 18 9 8 9	77	s	**
Ratons Natons Mages Stable Eventes				916	<u>라</u>	25.0	Less Stock of Bricks 1st Jan	10 388 14 5 672 5 10	40	911	- 4	-
Rent Carrage Inwards Reputs and Renewals				247 6 5 247 6 5 12 12 6 5	<u> </u>		<u> </u>		ļ			
Deprecation— Line Victimery N. In	106 211 195 13 6 203 4 7	46.4	-01									
Fump ng Plant Ra I vay Sid ng	22	9 4		8.,8	61	- 611						
. Balance (Gross Profit)			- 1	178	=+						7	- 11
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	Less Stock, 31st Dec .			21 003 9 765	19	-6	Less Work in Progress, 1st Jan	ress, 1st Jan		25,158	150	151
	Prime Cost or Sales Garrage inwards Mages Balance Gross Profit		47 03 15 90 30 19	11 237 1 857 3 585 7 214	1550	5000	Типночая		100 00 23 895 10	23 898	18	10
			00 00	23 895 10	2	6			100 00	23 895 10	12	10
F	To Salattes Commission Advertising		1337	327 326	50.5	1001	By Trading Account, Gross Provit	toss Profit	8 10	7,214	6	1-
	Freduit Bates and Taxes Carrage Outwards		52.4.72	352 335	3 Z Z Z	4004						
	Deprecation Deprecation Interest on Camtal Balance Next Progri		1.61 1.61 1.08 1.5 13	327 384 257 3 615		2685						
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EXERCISE XVI No 6

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General Charges at Mine				2 347	60	9			
, Bank Charges				1 428 1	-		_		_
Depreciation at Works	_	_	7		_		_	-	
Machinery etc .				5 043 12	61	8		_	
Bulance (Gross Profit) .				111 573	6.9	6	_		_
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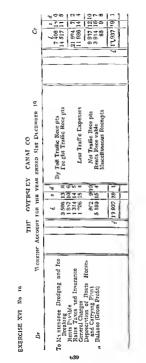
# " KOOMRIE " TOBACCO PLANTATIONS. LTD

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PLANTATION WORKING ACCOUNT FOR THE YEAR PINDED 31ST DECEMBER, 19	By Proceeds of Sale of Johnson										1		
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DRKING	7	4,408 12	7 087 311	896						346	1,328	0100	
PLANTATION WOI	To Plantation Wages-		" Plantation Salaries - Luropean Staff . 7	_	. Coole Expenses (Brokerage Pas sage Money etc.)	. Transpirtal Working Lixpenses		Wastage of Live Stock	Commission on Sale of Tobacco	==	etc s, etc	· ·	
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THE WESTERN STAR NEWSPAPER CO ITD PRODUCTION ACCOUNT FOR THE VEAR ENDED JIST DECLARERS 19	8 1 1 2
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EXERCISE XVI-No 8 Dropu	In vector of the
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ć	6 8 4, 994 8 10		6 21 2 6
WORKING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.,	d Dy Sales of I sh Sales of Old Rope, etc. , ,	๑ ๑ หร•ง๑	16
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NT FOR THE	147 10 80 12 80 12 8 10 8 4	30 11 30 11 30 11	6995 12
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THE "WIDE SEAS" NAVIGATION CO, LTD.	WORKING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19.,	By Passace Money	Freight Charters, and	Government Contract	Compensation from	Brazulian Government (for serzure of S.S.	Early Bird)			_						
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WIDE SE	UNI FOR	3			1 040 688 17	257 493 18	289,586				25,483 12,10	165,714	18 409 13	169,001	£2 592,295	
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HE	o l	_	2	25	1	_	_	_2		-	L		_	_	_	_
Н	WORKIN	**	609 126 10	282 856 11				12 000 10	9.857	1,625			_			
`	Dr.	To Navigation Expenses -	Coal, Oil, and Water	etc, Pay of Officers and Crew	ţ	Officers and Crew	Miscellanous Expenses-	Damages Claims and Law Charges	laid up	Quarantine Charges	" Shipt' Repairs, Stores, &	. Insurance Charges and	General Average Claims	". Balance (Gross Profit)		

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THE SUNBFAM HOTEL LTD

### EXERCISE XVI-No 13

(a) Cost of Material Used

							(	£	5	6
Stock of Raw Materials								1,200	-	ŀ
Add Purchases .		-					٠.	12,000	- ا	ŀ
" Carriage								6,000	-	'n
							- 1	(10.000	·-	1
								£19,200	-	٠,
Less Materials in han-	d at c	iose	•	•	•	•	•	1,400	Ľ	_
COST OF MATERIALS US								(17.800		Γ.
COST OF MATERIALS US.	ED		•	•	•	•	- 1	EATTOOL	_	
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(Note - Carriage is included in above statement as it is an element of cost usually inseparable from the cost of purchase)

## (b) Value of Output

Sales Add Stock of Finished Goods unsold	:	42 000 3,500	5	1
Less Stock of Finished Goods (at commencement)		£45 500 4,000	E	
		£41 500		-

# (c) Percentage of GROSS Profit on Sales Gross Profit 48 700 × 100

Sales £42,000 = 20.71%

### EXERCISÉ XVI-No 14

COST FIGURES OF THE £2 000 ORDER

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Matenals	602	1	ľ
Vages	880		j.
Works Overhead $\left(\frac{\text{Cost of Order } £2000 \times 100}{\text{Total Orders } £50000}\right) = 25\% \text{ of Wages}$	220		ļ
Office (Wages of Order £880 × Office Overh d £1 300)	44	-	
		_	Ì-
	£1,746	-	
PROFIT ON ORDER	254	_	L
Price of Order Executed	€2,000	_	Ŀ

EXERCISE XVI-No 15

ò	% on Out Puf				100 00	00 001
	2nd Year	17 500	3 000		20 000	20 000 100 00
	% on Out Put				29 000 100 00 20 000 100 00	00 00
	1st Year	30 000		000	29 000	29 000 100 00
		9 000	3 000	3 000	7	42
PURCENTACE STATEMENT		By Sales	Less Fin slied Work 1st Jan Fin shot Work	Less Fushed Work	OUTPUT	
TACE	Avge Out Put	%001 (	1630 <b>T</b> (0u 61 <u>1</u>	62 24 25 11 6 53	6 12	100 00
FRCE	Two Years Total	11 500 31 500	42 500 12 000	177	3 000	19 000
-						
	P 2%				800	00 001
	2nd % on Year Out	5 500 14 000	19 000	12 000 4 800 1 200	2 000	20 000 100 00
			19 000	63 80 12 000 25 86 4 800 6 89 1 200	3 45 2 000	
	n 2nd Year	To Scocks 1st Jan 6 600 5 600 Add P rehases 17 800	23 500 19 000 5 000 17 000	63 80 12 000 25 86 4 800 6 89 1 200	2 000	£ 29 000 100 00 20 000 100 00

# THE BLANKSHIRE IRON CO LTD

Dr. Fun	TURNACE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 19 .	ů.
To Coal Purchased Coke and Limestone Turchased Ironstone Purchased Wages (Furnace)	7 (20) - 1 Dy Sales of Water Materials and 7 (40) - 1 Districtions of 1 Sec 1 Districtions of 1 Sec 1 Distriction of 1	5.862 35,311
Dr. Tha	TARDING ACCOUNT FOR THE VEAR PRIDED STORM LINE 19.	
To Furnace Account (Balance, being Cost of Profession of Pig Iron)  1. Section of Pig Iron, Sat July 1. Tride Churge Tren, Sat July 1. Balance Gross Prefit c/d	3. 51 d Dy Sales of Per from 30th June	02.446 s d d d d d d d d d d d d d d d d d d
Dr PROFIT	PROFIT AND LONG ACCOUNT FOR THE YLAN ENDED JUIL JUNE, 19.	Ó
To Office Salaries Directors' Fees	2 401 s 4 by Tracing Account byd 1500 linered 600 linered 1500 linered	21,530 5 6 7 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
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EXERCISE, XVI-No 17

VTEMENT	
PERCFNTAGE STATEMENT	% ou Pro duc
PERCF	2nd Vear
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Materials used 22 \$59 \$1 39 \$21 \$47 \$20 \$89 \$61 \$90 \$10 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$00 \$90 \$20 \$100 \$100 \$100 \$100 \$100 \$100 \$100		lst Year	Pro Pro duc tron	2nd Year	% on Pro duc tron		1st Year	ar Auc	n 2nd Yen	Pro duc tion
94 33 33 686 92 87	Marrials used Wages Rent and Power Carrage Carrage Gas and Witer Travellers Travellers Travellers Travellers Travellers Travellers Travellers Travellers Travellers Travellers Travellers	22 389 7 490 1 659 1 659 213 213 719 426 600	202 202 202 202 202 202 202 203 203 203	_72_	20 00 00 00 00 00 00 00 00 00 00 00 00 0	Goods Produced	36	100 (100 (	36 26	100 00
		€ 34 390	94 33	33 686			7 36 4	001 891	36 241	100 00
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ie necessary Net Profit stem to balance would be of course

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		JUNE	Allow
		30ти	s and
		MINE WORKING ACCOUNT FOR THE HALL-YEAR ENDED 30TH JUNE 19	s d By Sales of Ore Less Returns and Allowances
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EXERCISE XVI-No, 18,		- [	To Stocks 1st Jan Malerials used-
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TURNACE ACCOUNT FOR THE YEAR ENDER 31ST DECEMBER 19	d By Trading Account (For Core of Pig (For Core of Englishered)	Thading Account (fig mos) for the verr ended 31st December 19 is of Pro-  1 of Pro-  12.238  13.032  1 Stock of Pig Iron 31st Dec  14.04799  1 Stock of Pig Iron 31st Dec
ACE ACCOUNT FOR TH	2	3 9 409 13 2382 13 2882 13 2882 14 288
Dr FURN	To Committee of—Carrage) Cost (including Carrage) Cost including Carrage) Line to the Including Royaltee Include (including Royaltee Fee) General Wages Salaries of Lurinece Experts	Dr Tradiso Account (Cost of Production of Production of Production of Production of Production of Production of Production of Production of Production of Production of Production of Production of Production of Production

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DECEMBER, 19	Income	6t) b/d.
MUSSRS, J BPRRY & L TLOWFR PROFIT AND LOSS ACCOUNT TOR THE WARE ENDED 31ST DECEMBER 19	By Trading Account. Union Rango Income. Vigon little	By Balince (Wex Profit) b./d.
FRRY FOR THE Y	1.198 6.50 6.50 6.50 6.50 6.50 6.50 6.50 6.50	
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EXERCISE XVI-No 29 (sould)

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Works Plant Rolling Stock etc Less Depreciation	Wagons Less Depreciation	Stocht-		Loans to Workmen Sundry Debtors Less Bad Debts Reserve	Cash at Bank (Deposit) at Bank (Current) , in hard	
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69		7		1		
4	25 531 4 213	29 741	26 613	30 826 5 000		
Surdry Creditors Capital Accounts	Balance 1st Jan Add Share of Prof t	Less Drawings .	Balance 1st Jan Add Shore of Profit	Less Drawings		

### EXERCISE XVI- Nos 20 and 22

For Examples of Manufacturing Account (prime cost only) see page 771

(Working Account of a Mine of a Canat Company 789

Furnace Account (both ways) 892

Furnace Account (both ways) 892

Furnace Account (both ways) 892

Furnace Account (both ways) 892

Furnace Account (both ways) 892

Furnace Account (both ways) 892

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Furnace Account (both ways) 892

Furnace Account (both ways) 892

### EXERCISE XVI-No 21

The main reasons in support of the 'prime cost basis of the construction of the Manufacturing Account are set out on page 777 of Advanced Accounts.

### EXERCISE XVI-No 23

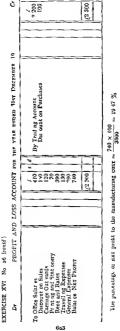
See answers at end of Advanced Accounts

### EXERCISE XVI-No 24

See answers at end of Advanced Accounts.

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		£2 120	35 33	£ 580	22 83		£2 120	35 33	£2 580	22 83
					ĺ					

s : 1 ΰ ¢ 3 500 63,800 6 600 000 97 19. By Trading Account (Cost of Goods manufactured TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19 .. MANUFACTURING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER transferred) By Sales 3 800 2 200 200 3.800 000 97 2 000 3 500 To Manufacturing Account . Balance, GROSS PROFIT Less Sthok, 31st Dec EXERCISE XVI- No 26. ". Carnago/Inwards To Stock, 1st J. , Purchases â Ď.



ů 200 100

654	KEY TO ADVANCED ACCOUN	TS
EXERCI	SE XVI—No 27.  JOURNAL	
19 Jan 1	B	, £ s d £ s d 200
1	Bills Receivable Di To B Acceptance at three months	200 200
1	J Do Bills Receivable	200
		£600 £600
(b) Th Journal	e purchase of a special mechanical scale will as it is not viewed as a "trade" purchase JOURNAL	200 s d b s d
	To Exact Scale Manufacturing Co , Ltd	200
(c)	JOURNAL OF A	
(1)	Returns inward , . Dr To Jones, Ltd	5 5 5
(3)	Jones Ltd Dr To Returns Outward and Allowances Account	9 9
	Jones Ltd (Bought Ledger) To Jones, Ltd (Sales Ledger)	55 55
		£69 £69

JOURNAL OF JONES, LTD (1) To Returns Outward Returns Inward and Allowances Account Dr (3) A (Bought Ledger) To (Sales Ledger) £69,

# EXERCISE XVI-No 27 (contd)

(0)					
	A s Cash Book (Debit side)	}	J	ones Ltd Casl	n Book
To Jone	Ltd (Returned cheque)	£25	Ву А	(Dishonoured c)	(2: (2:
(a) Dr		LEDO Sales A			Cr
			Ву	в	£ 5 d
Dr	Bul	s RECEIVA	BLE ACC	OUNT	Cr
То	В	£ 00 4	Ву	3	200 s
Dr		Е			Cr
To	Sales	£ 4	Ву	B ils Rece vable	200 4 4
Dr		J			Cr
To	Bills Rece vable	£ 2 d			
(b)		LEDO	EER		
Dr		LACHINERY	Accoun	T .	Cr
To 1	Excel Manufacturing Co aci	200 -			
Dr	EXACT SCA	LE VINUE	ACTURING	Co LID	Cr
			By 1	Machinery	£ 3 d
(c)	A s	BOUGH		ER	
Dr		Joves	LTD		Cr
i .	Returns Outward etc Jones Ltd. Account in Sales Ledger Cash	1   l   e^	By i	Balance b/f Beque	\$\frac{\xi}{2}\frac{\xi}{2}\frac{\xi}{2}\frac{\xi}{-}\frac{\xi}{2}\frac{\xi}{2}\frac{\xi}{-}\frac{\xi}{2}\fra

### EXERCISE XVI-No. 27 (contd )

	Dr	A's SOLD LEDGER JONES, LID	Cr.
19	To Balance	by Returns toward Joseph Account Ladger	d tan Bought 55
		JONES, LTD , BOUGHT LEDGER	C-

To Potents to Sales 5 -   4 d 19   8y Editore				-		
---	--	--	--	---	--	--

	Dr		JONES SOLD L	EDGER	Cr		
19	To Balance ,, Cheque	٠.	\$ 19 \$ 20 23 - 19	By Records inward and Allow ances Account in Bough Ladger Cash	11 9	-	4

EXERCISE XVI-No 28	
ltem.	Nature of Expenditure
(I) Sale of Old Plant (2) Purchase of Patent Rughts (3) Renewal Tee for (2) (4) Purchase of Delivery Vann (5) Purchase of Delivery Vann (6) Installation of Interne Light, etc. (7) Deprecation of (6) (8) Purchase of Plant and Machinery (9) Repairs to (8) (10) Extension of Water Vanns by a Water Company also replacement of existing Mains Note—The meass of allocating expenditure 4, between capital and revenue are fully explained on page 89 of Advants	Capital Capital Revenue Capital Revenue Capital Revenue Capital Revenue Capital Revenue Capital and Revenue (See Note)

### EXERCISE XVI-No 29

The January monthly summary of F s Ledger will be £10 too little and the G Ledger will be in excess by that amount

The Adjustment Accounts of the Sales Ledgers will show F s credit balance less by £10 and G s more by £10 than is correct

### EXERCISE XVI-No 30

See Advanced Accounts pages 323 and 324

### EXERCISE XVI-No 31

	D	, ,	ENDOR	s	ACCO	UNT	(	C+		
19 Apr	1	To Casia (Depus 1) Rent Due	3 000 t	4	19 Apr 1	By Purchase of Business Telephone Rent pro	33 (	-	\$	3
	1	Gat and Electric L ght due Water Rate dus Amounts rece ved on	86 17 2 10			Pa d F re Insurance pre pa d Plate Glass Insur		10 6		11
)wy	3	account of the Co Balance e/d	10 94 13 21 457 30			ance prepa d  Amounts part on  a/cof the Lon pany	2 .	2 485	7	١.
			35 504 13	11			33	504	-	_
July	1	To Share Cap tal A/o— A lotment of 20 606 Share of £1 sach as fully pa d up	2 000		July 1	By Balance b d Interest # Balance c d	3.	4 7 68 274	4	10
		To Balance b/d	25 000 3 274 4	9		£	216	000	_	

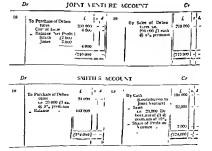
### EXERCISE XVI-No 22

1	), CO	NSIGNMENT A	CCOUNT	Cr
19	To Goods on Coas gnm/s Cas's A Andrews & Co (Commuse so) Balance Poston Coas gm/s	2 600 3 d 19 2 600 30 s 315	By B B ngalee (elongumt Sales	£7 ×00

D	· _	BILLS RECEIVA	BLL	۲,
19	To B Bengalee	1 500 2 4 19	By Bank	1 500 1 4

### EXERCISE XVI-No 32 (contd) $D_{\tau}$ BANK ACCOUNT Cr. 160 19. To B I's Receivable By Banker's Discount 915 . B Bengalee . Consignm t Charges D٢ B BENGALEE Cr. 19 19 1500 To Cook summent 2 500 By Bills Receivable (Account Sales) " Considerati 83 (Comm.sson) 915 ( 500 l £2.500 Dr DISCOUNT ACCOUNT Cr 19 To Bank 10 - -

### EXERCISE XVI-No 33



### EXERCISE XVI-No 33 (contd)

EXER	ISE XVI—No 33 (	conta)			
Dr		JONES ACCOU	NT	Cr	
19	To Purchase of Deben tures 1 e 3 900 fleach 25 5% prem Balance	£ s £ 19 3 150	By Cash (Contribut on to joint Venture) Sales of Debentures e 3000 fleach @ 9% prem.um Share of Profit on Venture	100 000 5 3 270 - 2 000	]-  -
EXER	CISE XVI-No 34				
		Bs LEDGFR	:		
D	r	As Account		Cr	
Jan 1 July 3 3	To Goods C (Bankers) Interest	\$\frac{\epsilon}{500} & \\ \frac{\epsilon}{500} & \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \	By Bills Receivable C (Bankery) Bills Receivable Bills Receivable (6 ms. including Interest)	\$00 100 200 200 212 5	-
	DISCOUNT AC	COUNT	I TEREST ACCOUNT	· Cr	_
19 Mar 31	To C (Bankers)	12 10 - July 3	By A	12 3	d 2
	BIL	LS RECEIVABLE A	ACCOUNT	Cr	
Jan 1 July 3	To A (3 mos ) (200 ~ (6 mos ) 212 5 2	f 300 s 4 19 Max 31	By C (Bankers)	500	4
	)>	C (BANKERS)		C <sub>F</sub>	
f9 Ang si July 3	To dish sièce vable	19 19 19 100 100 100 100 100 100 100 100	By Discount Charges (3° 6 for 3 mos ) A (neluding Noting Charges)	400 °	1

EXERCISE XVI-Nº 35  Dr INCOME	AVD I'V	FEN	DITUR	E AC	INCOME AND PYPENDITURE ACCOUNT AS AT 31ST DECEMBER 19	ბ
LEVENDIUME  TO Rent  Retter Trees, Lighting etc  Stevers and Stevens Wiges  Furing Stationery  Liw Charges  Furing Stationery  Rishing I went sete  Strikens I was sete  The Charges and the Stationery  The Charges and the Stationery  Therest no Longes  A mount units of the Stationery  Therest no Longes  Therest no Lo	25 100 100 1	A .	250 250 250 250 250 250 250 250 250 250	#	Incova:  Manual Subscrapeus:  Recent Service Carls and Pullards  Carls and Pullards  Profit on Sales	21 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
" Surplus of Income over Expendi-		1	, <del>,</del>	1 1		
		1 24	(2,723	Ţ-		62,723

Dec 31 Interest

Total transferred to DEBIT of Cap A/c

EXERCI	SE XVI—No 36	ī		
Dr		Ds CAPITAL ACCO	TAUC	C*
19 Dec 31 31	To Drawings Account Balance old	\$\begin{pmatrix} \frac{t}{411} & \text{s} & \text{d} & \text{10} & \text{Jan 1} & \text{Jan 1} & \text{Jan 1} & \text{Dec. 31} & \text{Jan 23} & \text{Jan 1} & \text{Jan 2} & \text{Jan 1} & \text{Jan 2} & Jan 2	By Cash Interest on Cap ta Share of Profit	\$ d. 3 000 150 887 13 11 (4 037 13 11
Dr		Es CAPITAL ACC	TNUC	Cr
19 Dec 31 , 31	To Drawings Accou Balance c/d	1 359 13 d Jan 1 2 374 6 5 Dec 31 31 4 7 734 1, 5	By Cash Interest on Cap tal Share of Profit	2 000 100 634 1 5
Dr		Fs CAPITAL ACC	DUNT	Cr
19 Dec. 31 31	To Drawings Account Balance c/d	\$\begin{pmatrix} \frac{t}{358} & \text{d} & \text{d} & \text{Jan 1} \\ \text{1 399} & \text{d} & \text{d} & \text{Dec 31} \\ \text{31} & \text{31} & \text{31} \\ \text{21 757} & \text{o} & \text{II} \end{pmatrix}\$	By Cath forerest on Cap tai Sha e of Profit Salary	1 000 s d 507 5 1 200 5 1
Di		Ds DRAWINGS AC	соиит	
			Mths Interest	Amount
May July Sept	To Cash Cash Cash Cash Cash Cash Cash		10	100 5 d 100 - 75 125 - 50 -

### EXERCISE XV1-No 36 (contd.)

TO.	 	

	i					Mths	Interest	Amount
19 Jan 1 Feb 1 Apr 1 Aug 1 Oct 1 Dec 3	1	To Cash " Cash " Cash " Cash " Cash " Cash " Cash Total tran	est	i to D	of Cap A	12 11 9 5 3 1	£ s d 2 10 - 2 2 5 10 1 17 6 2 1 8 17 6 2 6	£ 50 50 50 100 70 30 - 9 15

Dr F s DRAWINGS ACCOUNT

						Viths	Interest	Amount
Mar 1 June 1 Aug 1 Oct 1 Dec 1	To Cash Cash Cash Cash Cash Cash Cash Cash Total	; ed to D	t BIT O	f Cap	A/c	10 7 5 3	£ 3 2 3 3 2 2 2 2 4 2	75 100 50



### EXERCISE XVI-No 37

See Advanced Accounts, Chapter XV [page 545 onwards], for complete range of specimens of Statutory and Statistical Books, which would be necessary in addition to the ordinary Financial Records

### EXERCISE XVI-No. 38

### JOURNAL

19	<u> </u>	1,	1.1.	1 6	Ĭ.	1
Jan 1	Business Purchase Account, To Vendor Being purchase price of business as per agreement dated	50,000		50,000		
,, 5	Application Account . To Share Capital 5/- per share on 35 000 shares	8,750		8,750	1	-
,, 6	Allotment Account To Share Capital 5/- per share on 35 000 shares	8,750		8,750	1	-
Feb. 10	Vendor & Account To Share Capital 40,000 f. shares issued to vendor as fully paid being part pay ment of purchase price of bosi mess	40,000		40,000	1	-
" 10	Vendor 3 Account To Debentures 10,000 5% debentures issued to vendor to complete payment of purchase price of business	10,000		10,000	1	-
,, 10	First Call Account To Share Capital 5/- per share on 35,000 shares	8,750	11	8,750	-	_
1		(126,250		(126,250	7	-

# CASH BOOK

		 	( 1)	
19		Ų I		£ sd
Jan 5	To Application Account	 <i>ii</i> 1	1 1 11	8,750
10	Allotment Account	 1		8 750 -

ć ů 900 1,660 12,782 undry Creditors Exps on Realizati Bank Overdraft ones' Loan A/ By Balance SMITH'S LOAN ACCOUNT : : CASTI ACCOUNT Ð 3 4 12 350 312 12 782 S 1 1 156 Realization Account Deficiency Account-EXERCISE XVI-No 39 (contd.) Brown To Balunce To Cash Ď Ď.

EXERCI Dr	EXERCISE XVI—No 39 (contd)  Dr	JONES CAPITAL ACCOUNT	OUNT	5
61	To Share of Rob nson s Overdrawn A/o Gash	2 600 - 2 600	By Balance (Jones Loan A/c closed by Cash)	3 000 2
D,		BROWN S CAPITAL ACCOUNT	COUNT	ò
61	To Share of Robinson s Overdrawn A/c Cash	233 1862 - (2100	By Balance	2 100 s d
D,	1	ROBINSON S CAPITAL OVERDRAWN ACCOUNT	AWN ACCOUNT	ò
61	To Balance Share of Deficiency	81257 005 005	By Junes Cap A/c 14 Brown s Cap A/c 17	2340 - 6 5 6 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8

668

## EXERCISE XVI-No 4s.

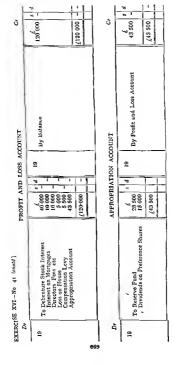
### TOTIPMAT

	jou	CIVAL				_	
19	Share Capital Account. To Forfeited Shares A/c ,, Calls in Arrears A/c	: -	£ <sub>150</sub>	ŝ	đ	£ 50	s d
	X (shareholder) Forfested Shares A/c To Share Capital A/c	: :	130 20 £300	- - -	-	150 £300	==

## EXERCISE XVI-No 41

# JOURNAL

	£	\$	d	£	s	đ.
Profit and Loss Account To Debenture Stock Interest ,, Interest on Mortgages, etc.	76,500	-	-	40,000 10,000	-	=
" Directors' and Trustees' Fees, etc " Loss on House " Compensation Levy Balances transferred				16,000 5,000 5,500	111	=
Profit and Loss Account To Appropriation Account Balance transferred	43,500			43,500	-	-
Appropriation Account To Dividends on Pref Shares , Reserve Fund Balances transferred	43,500	-	-	15,000 28,500	111	-
	£163 500	-	_	£163,500	-	_



XERCISE XVI-No. 42

( psuco)
42
XVINo
EXERCISE

THE GENERAL TRADING CO LTD

	<i>a</i> '''		2,	
Ċ	2 51 m	ò	w '   '	_
	6 834 199 560 7 593		560 9) 860 9	
GENERAL PROFIT AND LOSS ACCOUNT	By Ner Profits— B Dept C Dept	INT	By Profit tor Veat	
SSOT GAL	<u>6</u>	APPROPRIATION ACCOUNT	<u>0</u>	
A TIM	, , ,	RIATI	a	
r Pac	'9	PFROF	4111	Ī
GENERA	6.33 300 454 108 6.098 £7.593	<	450 3 900 2 648 (6 098	
	To Net Loss on C Dept Bad Debth Reserve Decount Roserve Depresent Roserve Balance Ner Profit e/d		To Hall year s Dividend Reverve Fund Balance to Balance Sheet	
Dy	<u></u>	Ď	22	

THE GENERAL TRADING CO, LTD,

5 4. 972 5,680 49,448 1,080 108 8288 ŝ 22.700 23,000 Coal Mining Syndicate Shares PROPERTY AND ASSETS. Sundry Debtors . Less Bad Debts Reserve Banque De La Republique Germanic Bank (Limited) Less Discount Reserve British Bank (Limited) Less Depreciation Office Furniture Bills Receivable BALANCE SHEET AS AT 30TH JUNE Stocks\_ 300 2,500 300 300 2648 1149,448 5 4 15 000 20,000 Ordinary Shares of £1 each 20,000 40,000 Is,000 6% Preference Shares, fully a Nominal Capital -- 20,000 6% Preference Shares of £1 paid 15 000 Ordinary Shares, fully paid Balance available for Dividend CAPITAL AND LIABILITIES Profit and Loss Account. Bills Payable Sundry Creditors Income Tax Reserve Reserve Fund

No	
XVI	
CISE	
XER	

INCHOLD MANUFACTURING CO LITD

\$	174493 167874 -	34.845	816 0000									*16.997
TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST [ANDARY 19	By Sales Less Returns inwards	ttock, dist Jan			By Frank Account Transfer beet							
H	4	TIT		11	11	1		_	_	1 1		711
S ACCOU	38 672		25.2	612,027	25 5 5 2 2 5 5 2 3 5 5 2 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	2 66	£669	-	- [	442 418	200	19.291
3	70	-		_	_		11		1			
PIT AND	100 60.1	* 738				1 032	10 691	373	327.		27.	28
n Pro						Stube Expenses Stationery and folophone Less Telephone Real prepaid	Debenture Interest Paretors Salanes baier es and Travallers Commission Add Travelers Commiss on owing	Reote Rates Taxes and it sucance	:	٠.	D scount Account D scount (Account Account Discretation— Richinsory and I lant (10% of £8 750) Carts and Horse	

Ċ	, ·			,	7 875	Ş	34 839	4,380		541	919 82 7
	19 291	19,291		-3 I	7	7		<u> </u>			
	<del></del>	7		8 750 s	875	223	19 876		5 784 210		
THE CHIDDINGFOLD MANUFACTURING CO, LTD	19 By Current Year s Profit		BALANCE SHEET AS AT 31ST JANUARY 19	PROPERTY AND ASSETS	I ess Depreciation	Horses and Carts Less Depreciation	Stock Sundry Debtors	(Investment of Employees' Superanton than, as per	cosh at Bank	Telephone Rent Prepaid Insnrance Unexpired	
UNI	<u> </u>		313	,	_	-		111	7	-	
M .	A		1 4	12	=			- 1			100
OLL	eg 1 1 1	11	ET A	3			25 000 000	20 000 7,000 320	4,340	721 4 360	11,775
NG	7 600 516 1775	19 291	SHE	· 2	1 1	77	1111	- 24			7
<u> </u>		151	NC.	-07	1	L					
E CHI	,	;	BALA	32	50 000	100 000	29 000 \$ 000		379	# F	*****
EXERCISE XVI-No 43 (centd)	19., To Reserve Account "Superannuation Fund "Relance Sheet			CAPITAL AND LIABILITIES	50 000 6% Pref Shares of #1 each 50.000 Ord Shares of #1 each		Issued Capital— 20 000 6%, Pref Shares fully paid 5 000 Ord Shares, fully paid	41% Debentures— 200 Bonds of £100 each Reserve Tund	Sundry Creditors Outstanding Hems-	Employees' Superannuation Fund	From a vallable for Distribution
įπi	•					6	74				

12 | | | | 2

\$

#### EXERCISE XVII-No 1

An electrical firm may be manufactuming (a) wireless sets (b) electric vacuum cleaners and (c) electrio ross each being produced us a separate department. As there are three distinct classes of goods, the factory may be divided into three departments and the cost of each department ascertained. When this has been done the total cost of each can be divided by the output of each to give the cost per unit. The materials used wages and expenses should be analysed into departmental costs by means of abstracts and the sales of each department analysed in the Sales Day Book. A departmental overhead rate should be arrived at for factory expenses and indirect wages after carefully ascertaining the facts by analysis. This factory or wheel may be changed to the respective departments on the basis of direct wages or or working hours or cost that the valid of the cost of

The expenses enumerated may be dealt with in Cost Accounts as follows-

- (a) Rent and rates allocated to departments on basis of area occupied by each department
- (b) Discount and bank charges divided in ratio to money value of sales from each department
- (c) Depreciation divided according to inventory value of machinery and
- plant

  (d) Travellers salaries and expenses apportioned in ratio to money value
- of sales from each department
  (e) Management salaries allocated in the ratio of wages paid in each department it is presumed these salaries are for departmental management.
- (f) Debenture interest divided according to capital value of assets in each department

## EXERCISE XVII-No 2

See Advanced Accounts page 809 (under Classes of Cost Accounts )

## EXERCISE XVII-No 3

- Simpson & Co in order to gain the information re the cost of the manufacture of various pumps will inaugurate a system of costing of which the following suggestions are the man features.
- (1) The materials issued for use on each class of pump to be indented for on suitable. Stores Requisition Cards—that will enable the Costing Department to know precisely the amount of materials used on the manufacture of each class of pump.
- (2) The wages pa d to workmen engaged on constructin, the pumps to be entered in a suitably under Wages Analysis Book so that the exact amount of wages paid on each class of pump made may be correctly allocated
- (3) Indirect expenditure must be equitably charged against each class of pump manufactured. For this purpose a proportion on the basis of wages paid on each class of nump made would be a fair charge.

## EXERCISE XVII-No 4

See Advanced Accounts page 831 (Colhery Cost Sheet)

## EXERCISE XVII-No s.

See Advanced Accounts, page 809 (1st section); also pages 810 and 811 Specimen of Cost Sheet as on page 830 of Advanced Accounts

#### EXERCISE XVII-No 6

The unit or units of ontput for the preparation of Cost Accounts of— Brewenes is per barrel of beer brewed Brickworks is per 1,000 bricks made

Collieries is per saleable ton of coal raised

Colleges is per saleable ton of coal raised

Electric Light Works are (a) per ton of coal used and (b) 100 Board of Trade
units of electricity sold

Gasworks are (a) per ton of coal carbonized, and (b) 1,000 cu ft or therm of gas sold fron and Steel Vanufacturers is per ton of iron, or steel produced.

Tramways are (a) per car mile run and (b) per k w hour. Water Works is per 1 000 gal of water consumed

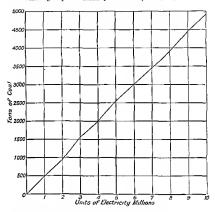
## EXERCISE XVII-No 7

Conclusions to be drawn are-

- (1) Output has increased in direct ratio with increased expenditure.
- (2) Percentage of expenditure in relation to output is moderate
- (2) Percentage of expenditure in relation to output is moderate (3) Uniform ratio of expenditure with output for two years suggests that little or no margin for waste of material was possible.
  - (3a) Wages appear on the up grade
  - (4) An efficient system of costing was in operation

#### EXERCISE XVII-No 8

Chart showing Output of Electricity and Consumption of Coal



## EXERCISE XVII-No 9

- See Advanced Accounts page 810 (under Objects of Cost Accounts ) Suitable tests to ensure accuracy are as follows—
- (a) The amounts expended on materials and wages should agree with the amounts in the accounts of materials and wages in the financial books (although arrived at independently) by comparison
- (b) If the Cost Books have been kept on the double entry principle reconcilation with financial books should be attempted and if the result is an approximation to agreement it may be assumed accurate records are being kept

#### EXERCISE XVII--No 10.

The advantages of the Card System for Cost Records are-

(a) Each Card (as illustration) can be withdraw, when it has served its

purpose and filed for future reference

(b) Cards can be written up simultaneously by being handed to responsible clerks

(c) Any account can be withdrawn without interfering with the correct working of the system, as each casp bears its own significant index number

			(ELLUSTRATION OF A CARD)					
S.M.	Cost of	Manufactu	"CASTILLE 50AP	duns 3	fay .			
	ļ	_	Carpi	CAEDITS				
Date	Raw Mate rials	Chem acals	Wages Oncost Charges Total	Coused Mate reals, etc.	Unused Chem toals	Actual Cost		
	8 8 8	£   5 d	E 3 4 E . 13 C .	2 2 2	£ 3 a	£ 2 4		

EXERCISE XVII-No II

The information obtained by a careful tabulation of comparative statistics, etc. in relation to—

(a) Gross Profit shows that the selling price has been satisfactorily arrived at so as to give a margin over cost price. The percentage would show precisely the margin of profit—whether adequate or otherwise.

(b) Wages in regard to output or turnover are proved reasonable if not disproportionate to other expendators on the same work or in the same business. The percentage figure would readily indicate the proportion of cost of wages to total cost clearly pointing out to the management just what adjustment (if any) would be necessary.

when the control of t

(e) Costs of Distribution as regards the relation such costs bear to goods profit, indicating on a high percentage that the question of overhead requires close attention, or that office organization needs better supervision. A low

#### EXERCISE XVII-No 11 (contd )

percentage of Costs of Distribution would indicate a satisfactory and efficient administration

(f) The detection of fraud in Accounts is in regard to fluctuation of per centages generally calling for close investigation into their cause

#### EXERCISE XVII-No 12

The firm would require to institute a system of costing in addition to the usual huancial records. As the main undertaking of the firm is on con-TRACES It would be expedient to have the following additional books-(1) Stores Received

- 2) Stores Issued
- (3) Stores Ledger
- (4) Wages Book (analysis columns for wages paid on each contract)
- (5) Cos (or it may be termed CONTRACTS ) Ledger
- The ordinary Purchase Books may be modified (as to rulings) as is illustrated on page 822 of Idva seed Accounts Materials issued for use on contracts must be by special requisition and

suitable forms will be used

#### EXERCISE XVII-No 13

See Advanced Accounts pages 825 (under Overhead and 826 KERCISE XVII—No ta

## EXERCISE XVII-No 14

The answer to Question XVII—No 12 will suit this question. The co-ordination with the commercial accounts is effected by an adjustment account constructed on the self balancing Ledger principle

## EXERCISE XVII-No 15

The COST BOOK ACCOUNT IS the Total Account of Expenditure on Contracts incorporated in the Nom.nal Ledger in order to co-ordinate the Cost Books with the financial books

#### EXERCISE XVII-No. 16

The basis on which standing charges and establishment expenses are to be allocated requires a close investigation into questions of expenditure on materials wages and of the class and use of machinery before determining the question Note must be taken in the instance under consideration that there are two problems to be overcome (1) castings in one case are large and heavy and (2) castings are very small and intricate The inference one dark at No. 2, the case of materials would be great and the pay ment in Wages small (comparatively) and that No 2 indicates the cost of materials to be small and the payment in Wages to be large (comparatively) The use of machinery in No I may be less expensive than that used on No 2 It appears then that the allocation of OVERHEAD must be on the following hases....

## EXERCISE XVII-No. 16 (contd.) (a) For large and heavy castings-Materials . Labour OVERHEAD-Factory (Item No 1). /Item No 1 x 100 Materials General (Items Nos 2-5) (Items Nos 2-5 × 100) Factory Cost TOTAL COST (b) For very small and intricate castings-Materials Labour OVERHEAD-Factory (Item No 1) . /Item No 1 x 100 Wages General (Items 2-5)

## EXERCISE XVII-No 17

See Advanced Accounts page 825 (under OVERHEAD)

Items Nos 2-5 × 100 Factory Cost

EXERCISE XVII-No 18

REVENUE ACCOUNT (WITH PERCENTAGES FOR OTHER YEARS)

TOTAL COST

Dt 8175.					Amo	ynt	1	3rd Year	2nd Year	lat Seat
To Stock, ist Jan 43 000 less S  Purchases Wages Salarues Trade Expenses Goffic Expenses Bad Debts Commission to Travellers Interest and Commission Badance, Ner Progr	tock.	3451 D	ec £2	,000	2,500 3,500 7,50 500 3,40 75 100 35 1,190	, , ,	4 1 1 1 1 1	10 00 25 00 35 00 7 -0 5 00 3 50 • 75 1 00 3 50	10 25 24 60 34 65 8 05 5 74 3 44 65 1 20 40	11 00 25 73 36 00 7 23 4 78 3 25 70 1 13 37 9 79
CREPITS				£	10 000	-1	ا٦	100 00	190 00	100 00
By Salet, NET				- 1	10,000	Ĩ	٦ľ	100 00	100 00	100.00

The advantage, connected with a tabular system of percentages are as enumerated in the answer to Question XVII—No. 11

The disadvantages are that percentages on actual figures do not explain circumstances that give rise to variations in purely statistical results, and

on that account may be mistrading

#### EXERCISE XVII-No 19

Methods of remuneration are discussed on pages \$14 to \$16 of Advanced Accounts

#### EXERCISE XVII-No. 20

Control of time is explained on page 812 of Advanced Accounts

## EXERCISE XVII-No 21

Control of material in a costing system is provided for by the use of the following cards and books (I or explanations of Uses to which Cards and Books are put see Advanced Lecounts pages 817 to 822)

	CARDS			Books	
1	Store Record Card		1	Stores Received Bo	ook
2	Bin Card		2	Stores Issued Book	:
3	Store Requisition		3	Stores Ledger	
4	Materials Abstract	(a sheet)	4	Purchase (Analysi	s) Boot
		'	5	Cost Ledger	
	CISE XVII—No 22 Form of Wages Abs		816 0	1 Advanced Accounts	:
	CISE XVII-No 23		oage 8	ill of Advanced Acc	ounis
EXER	CISE XVII—No 24		B00	K ACCOUNT	C <sub>7</sub>
Year I	To Printing Wages  Paper  Binding Material  Advert sing  Royalties  Profit on Sale.	1 199 1 10 1 10 1 12 1 1 1 1 1 1 1 1 1 1 1 1	Year	By Sales 2 500 Cop at 62, Stock 41 Cost c/d	1 1 7-0
Year 2	To Stock at Cost b d Royalty on 1 300 copies at 1s. Profit ou Sale	(899 10) 144/10	Year	2 By Saics~1 700 at bs. Sales—100 at 9s	(809 10 360 15

EXERCISE XVII No 24 (contd)

# JOURN AL

Year 1	Publication of Book Account To Frinting Wages , Paper , Einding Materials , Advertising Transfer of costs of production etc of book	2	46n	s d	120 190 110 40	-
Year 1	Publication of Book Account To Author Royalty at is each on 2 500 copies sold	2	125		125	
	Author To Bank Payment of royalty on 2 500 copies sold		123		125	
	Sundry Customers To Publication of Book Account 2 500 copies sold at 6s each	2	750 £1 460		750 -	-

ZZ	mam.	M v mu Sock M mum Stock						Art ce O der n 1 evel	Art c e O der n I evel				Col No U t	0	
1												UE			
å		l on Vhom	e,	e,	82	Certife a	8 *	Ушо в	٥	Te Whom a Work		Regu on	ç,	1 6 1 6	2
		3				Dat 1 d	ac al							-	
9 y	May 1 X row 14 11 V son	wo.	87	2	3 %	9 00	*	200	e a system	1 b No 79 1 b No 79 Da an		212	882	9	3838
				300				en o			_		300		[3]
	Ju e 1 1a nos	8		•				80	_						_

EXERCISE XVII-No. 25 (contd.).

The first supply of 100 acticles have all feen samed and 50 of the second supply, leaving f 50 of the second the former water of 57 10s. Care should be taken in charses are used to the second the second that the second the second that the second the second that the seco

,				REC	RECEIPTS					-			1	Ì
		_		_	L	L	-				Issues			
	Date	Prons Whora Received	Delivery Note No	On the second	is ge	₹ 18	daveage Certificate					_		
681						44. 44.	Inttals	THE COLUMN	Date	Date to Werk)	Requisition Note No	Ottan	P. P.	Value
×	25	May 1 X December		L					1			_		
	~	B Walson	82	88	9/6	10/6	*	26.5 = 5	MAY 8		68	S	;	
	_			300		_				Palmes Balmes	53	223	22	100
-	-	June 1 Balance		150	_			7				930	-	016
ı	Ê	a busine				7		37,10	-				_	+
ž	Sonal	reasonable limits with the values a system which, if used would	ount al	lustral value	CS Z SV	tem w	thich, 1	used wor	ald res	sonable limits with the values or dies.		7		7

in the values of the playsical stock agreeing, within closed by the stores records,

## EXERCISE XVII-No 25

The following is a Cost Sheet for the production of Pedestal Bearings-

# COST SHEET

Works Order No 7841
Customer F Wilson
Particulars 10×3
Pedestal Bearings

Date 5th April 19 Promised 20th April 19

Delivered 18th April 19

		Wa <sub>o</sub> es				No street
	Shop \o 1	Shop No 2	Shop No 3	1	Materia: Used	Requis to Note No
1pr 8	12 hours at 2/6 14 hours at 2/9	à bours at 2/ à bours et 2/	16 hours at 2/- 10 hours at 2/	Apr 8	Iron Castings Brass Cast ngs W   Bar     Steel Nuts	271 £ s d 272 2 8 273 1 10 274 5 8
	26 hours at 2/6	4 bours	% bours at 2/			

	26 hours at 2/6	4 bour	% hours at 2/		1 1	
Total Ma				 1 4	s d	4 6 3 6
Total W	No 1—25 hos 2— 4 3—26 sgex Expenses— No 1—25 hos 2— 4			2	12	6 3
	30 3_2°	at 2f at 3f		1	18	6 18
Office O	Nerbead 20%					19 6 5 17 4 £23 3 10

A Wages Abstract is mad, showing the allocation of the total wages paid against the various jobs and it is from this that the information as to the wages in each of the three shops shown in the Cost Sheet is obtained. Issues from stores of materials for use on jobs are made on Requisition Notes and it is from these requisitions that particulars of the materials shown in the Cost Sheet of Cost and the Pactory Forential Pactory and the property of the property of the Cost Sheet Sheet of the Cost Sheet

When possible it is desirable to maintain agreement between the financial and costing records in order that a check may be kept on the costing records. and to avoid undiscovered omissions of material, wages or other costs in the work of the Costing Section The extent to which it is desirable to maintain such agreement is the prime cost and works overhead at least, and it may

extend also to office overhead Purchases should be dealt with as follows-(a) Items from Purchase Analysis Book for goods supplied direct to con tracts are posted to the Cost Ledger and in the financial books these items are posted individually or by means of monthly totals of analysis columns provided for the purpose to appropriate accounts and summarized to the debit of

Manufacturing Account

EXERCISE XVII-No. 27.

(b) The summary of material issued from stores prepared from Stores Issue Notes should be recorded in a Materials Abstract Book. The details of materials are posted to the debit of the jobs concerned and in the financial books the total of these stems goes to debit of Manufacturing Account, and

credit of Materials Account As regards wages the total wages shown by the wages abstract will be charged to the individual jobs in the Cost Ledger and debrted in the financial books to Manufacturing Account Wages chargeable to expenses items will be debited to Expenses Account in the nominal Ledger and the total amount of wages earned credited to the Wages Account

COST LEDGER SHAMPY

78 19 6

276 9 1

129 18 6

Carrying out the foregoing the Cost Ledger records are-Various Job Accounts Materials (stores issues)

To Materials (direct)

Wages

	COST LEE	GER SUMMARY	
Jab No	Name	Special Stores	Wages
	crothers (and others) Dese figures summarize what cence would be given in detail	19 4 278 5 4 t	129 18 6
ind the fina	ancial book records are-		
$D_{r}$	MATERI	ALS ACCOUNT	Cr
	£   3	By Manufacturing Account Stores Issue, as per issue Note	270 3 2
Dr	DIRECT MAT	ERIALS ACCOUNT	Cr
	•   •	By Manufacturing Account	78 19
Dr	WAGES	ACCOUNT	Cr
		By Manufacturing Account	129 18 6

Dr Dr			,	URING ACCOUNT		Cr	
To Vaterials Used— Special Purchases Store Is ues Wages	•	28 276 129	19 9 18	d 6 1 6	£	5	đ

The actual cost of purchases delivered to stores is brought to debit of Materials Account the balance of that account being the cost of materials in store and can be checked by physical stock taking. The cost of purchases of material divered direct to jobs is debited to Direct Vaterials Account and the credit entry should close the account. The wages paid should be debited it may be necessary to take into account wages not allocated that should be transferred to Worke Expenses Account. The total of the debit to Manu facturing Account should equal the total of work in progress as shown by a schedule taken from the Job Accounts in the Cost Ledger. When a job is completed its cost is shown sparately in the Cost Ledger. When a job is completed to soft is shown sparately in the Cost Ledger Summary and is transferred to a Finished Goods Account in the financial books from the Manufacturing Account by the introduction to the credit of that account tax of the completed the R<sub>pure</sub> being compared with the completed of the R<sub>pure</sub> being compared with the completed job total in the Cost Ledger Summary.

## EXERCISE XVII-No 28

The expedient adopted would be for the Lord Mayor's Secretary to pay a cheque for the sum of £2 000 into the Bank of India London for the credit of the Indian Famine Fund Madras

The Bank would then cable to their Madras Branch advising them to

D+	LONDON CASH ACCOUNT	Cr
	l9 By Indian Farmi (Ma Iras)	ne Fund 2 000 -
Dr	INDIAN FAMINE FUND (MADRAS)	Cr
19 To Cash	2 000 2 4	1
Dr	MADRAS Cash Account	Cr
To Lord May (London	ors Fand 5 d	
D <sub>r</sub>	LORD MAYOR'S FUND (LONDON)	Cr
	19 By Cash	2 000 € 4

# EXERCISE XVII-No 20

ACCOUNT SALES or 74 Cases or Bradford Goods sold by Messrs Robinson & Co, for account and risk of Charles Richardson & Co, London

19.,	30 cases Bradford Goods @ £12 24 cases Bradford Goods @ £12 20 cases Bradford Goods @ £13	5 per c	ase	€	s d	3,600 3,000 2,600 -
	Landing Charges Landing Charges Insurance and Freight Commission, 21% of 19,200,	:		7 20 230		257 - [8,943] -

Dr	CHAS RICHARDSON'S LEDGER CONSIGNMENT ACCOUNT	C+
19 Feb 1 . I	To Goods on Coongomid 7 400. 4 Feb 21 By Robesson & Co (**Cash-**) French (**S) 1 47 Feb 21 By Robesson & Co (**Coongo Sales)  Bulance Net Profit  (**Cast2	8 3 13 = -

D	ROBINSON & CO'S LEDG CONSIGNMENT INWARDS ACCO	
19 Feb 21	To Clax, Richardson Landing Charres 4 Londing Ch	ndry Lebtors 9 200 4

D*		DEFICIENCY ACCOUNT	ò
2	To Realization A/c	2, 100 = - 19 By Cash By Cash By Cash By By Cash By By Cash By By By By By By By By By By By By By	\$ d 6 s d.
å		A & CAPITAL ACCOUNT	3
95	To Drawings Cash	1 (0) - 1 1 (00) - 1 1 900 - 1 (6 000 - 1	6,000 5
Dr		A'S DRAWINGS ACCOUNT	Ċ
61	To C's Overdrawn A/C	1 g s d By Balance	2007 1.008 1

Cr	3 600 5	Cr	200	Å.	1 800 s s s s s s s s s s s s s s s s s s	13 200		00x 937
Bs CAPITAL ACCOUNT	2 200 s d 19 3y Bh auca 2 800 s d 19 19 mca	B & DRAWINGS ACCOUNT	600 d Dy Brance Cap (at Account.	CAPITAL OVERDRAWN ACCOUNT	3600 1 d 19 Dy Crust Ac ou 700 Estable - Estab	(3) 200	TINAI STATLMEN F	4 6 5 1 4 19 Comp.
EXERCISE XVII No 30 (60 td)	70 Draw ngs	Dr	To C+ Overdawa	Dy Cs (	19 To Drow not Share of Delac ency			10 A receive the 10 700 4 500 7 700 1 700

## EXERCISE XVII-No 31

## JOURNAL

19	Business Purchase Account . To B	50 000	s	ď	£ 50,000	s	d
	B To Share Capital Account	25,000		-	25,000	4	-
	Application Account Allotment Account First Call Account Final Call Account To Share Capital Account 5/- per share on 50 000 shares issued on application allotment and calls respectively	12,500 12,500 12,500 12,500 12,500	,		50,000		-
	Share Capital Account. To Forfeited Shares Account ,, Final Call 5/- unpaid on 820 shares	820			615 205		
		/12, 920		Ξ	£125 820	=	_

	Dr	CASH BOO	th.	Cr
		Bunk		Bank
19	To Application 4/e , Allotment A c First Call A/e Final Call A c (f)12 s00 (2005)	£ 12 900 12 900 12 900 12 295	By beador Preliminary Expa Balance old	25 000 2 293 22 595

EXERCISE XVII-No 32	Class of Costing	Applicable to businesses supplying a un	Departmental L sed to ascertain the profits of departments
	Fxpfanation	Applicable to businesses supplying a uniform product such as collienes breweries quarties etc	Its

A system used to ascertain the cost of each stage of manufacture through which material passes until

it becomes a final product

Process

recrunal

Operating Multiple

This method is used for undertakings in which a number of products are involved bearing little or no A system of costs applied where concerns carrying on public services og railways trumways gas and apparent relation to each other in cost or selling price og cycles hosiery boots etc Applicable to undertakings where definite contracts are entered into eg building ships Used to ascertain the cost of production against each job undertaken

TIM VPIN ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19 .. THE ALBURY MINING CO. LTD.

ΰ 8,184 (8 631 343 Balance (Capital Expenditure) By Tile Department Account-Share of Trade Expenses Power Coal etc 2 745 308 584 220 8.631 Office and Sun and Carriage Claim To Coal Consumed Taxes " Stores used Salaries Ď.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19 . (Tile Department) 2,599 718 197 (3 514 Net Loss (3 514 343 104 55 56 63 63 Share of General Expenses Traveller a Commission wages . . Power, Coal etc Stores used Carriage

To Wages

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EXERCISE XVII.—No 33 (conid)		11 12	1 2	HIR.	> %	THE ALBERT MINING CO. LTD. BAANCL, SHERI AS AT 31st DECEMBER 19	-		- 1-
CAPITAL AND LIABILITIES		\$ P	=	<b>~</b> 2	8	PROFERTY AND ASSETS			ا چا د
Nominal Capital— 50 000 Ordinary Shares @ £5 outh	7520 000		-			Bu kling, ne Cost Iranway Truck and Wagons Plant un! Machinery		2 038	
20 000 Ordinary Shares of £5 each 30/ paid			×	30 000		Stock of Stores and Coul Stock of 1 ket Sun if y Det fors Tay New Agenute		27.5	
Built Pryable Sundry Creditors	3 407		7	4 034		Cali ver Bail Preliminary I x enses Balance of 11te Account (I 088)		74.7 197	<del>'    </del>
			17 1	34 034	1:1		161	34 034	믐
		1	-		1				

EXERCISE XVII -No 34

1930 Apr 1 1937 Apr 1	To Landlord Royalty o on 13  To Landlord is a ton o	l 1s. a 000 Royalt	11.0	230 650 1,000	-		By Trading A	coomi		850 850	1
D	,	SH	ORT	wo.	RK	INGS A	CCOUNT			Cr	_
1935 Apr 1	To Landlord .	i	1 250	•	4_	1936	By Balance	c/d	250	•	4
	To Balance	b/d	250			Apr 1	By Landlord Balance	old.	150	Ŀ	_
	To Barance	b/d	£100			1937 Apr. 1	By Landlord		£100		_

ROYALTIES ACCOUNT



### EXERCISE XVII-No 35.

(a) As repairs and renewals are undertaken at an opportune time, such as to plant and machinery when business is poor and the machinery consequently not running full time the cost under this heading may vary very considerably in successive years. To a word reverine being charged each year to Profit and Loss equal sizes, a fixed amount may be charged each year to Profit and Loss cost of renairs and renewals in each vear being charged for the reserve.

(6) The advantage is that an equal annual amount is charged to reveaue for repairs and renewals, the actual cost being this spread evenly over successive years.

#### REPAIRS AND RENEWALS RESERVE (c) C+ $D_{\mathbf{r}}$ Year To Cost of Repairs and Re-By Professed Loss Account newals Balance c/d 135 12 300 £300 2 To Cost of Repairs and Re-Balance news to Tobs and Loss Aca 150 1300 8 By Profit and Loss Auco Cost of Repairs and Renews!. 124 Balance cid 7300 300 Ry Relance

(d) The balance of the account would appear in the Balance Sheet In years I and 3 it would be on the habilities side, and in year 2 on the assets side

## EXERCISE XVIII-No r

See Advanced Accounts, page 848 (under appropriate heading)

## EXERCISE XVIII-No 2

See Advanced Accounts, page 848 (under appropriate heading)

## EXERCISE XVIII-No 3

See Advanced Accounts, page 849 (under "Depreciation and Renewals").

#### EXERCISE XVIII -No 4

See Advanced Accounts page 849 (under Depreciation and Renewals )

## EXERCISE XVIII-No 5

See Advanced Accounts page 848 (under Capital Account )

The Cap tal Account of a Commercial Limited Company shows only the liability of the company to its shareholders

#### EXERCISE XVIII-No 6

- (a) Companies incorporated under special Acts of Parliament for the purpose of acquiring or constructing and working large public undertakings such as—
  - (1) Railways
- (3) Gasworks
- (2) Tramways
- (4) Electric Light Installations etc.
- (b) The principal reason for the application of the Double Account System is regard to the presentation of Receipts and Expenditure on Capital Account which is practically a Cash Statement explanatory of how the Company has employed the shareholders money. The statement is the first part of the Double Account Balance Sheet.

### EXERCISE XVIII-No 7

See Advanced Accounts page 856 for pro forma Example of Capital Receipts and Expenditure Account Depreciation under the Double Account System is provided by a charge against NET Revenue Account of a fixed annual amount which is credited to a Depreciation Fund Account.

EXERCISE XVIII-No 8

Yes Parliamentary Gas Companies adopting Giswarks Act. 1877 and Companies Clauser (Consolidation). Act. 1845 Specimen linings-

(1) Cas Consumption Ledyr (see Advanced Accounts page 1048) (2) Cash Book (Reverpts sale) as below—

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		Total	•	1
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		Sundry		-
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See under 'Depreciation and Renewals on page 849 of Advanced Accounts

THE CORNWALL COLLIERY CO

SINGLT ACCOUNT SYSTEM
BALANCE SHEET AS AT 31ST DECEMBER 19.,

CAUTAL AND LIABILITIES	7	29	3	η 8	PROPERTY AND ASSETS	ASSETS	*	s	à	42
Nominal Capital— 250 000 Shares of /1 each	250 000	_			I unds Acquired Workmen's Cottages				_	8 600
		t	1	_	Office Buildings		111 000	٠,		3,000
110 000 Ordinary Shares of		_			Plant and Maclanery	Α.	35,000		-	
(1 each fully paid	900 011	•			wagons .		13,000	٦	=	
60 000 6% Preference Shares	80 000	_	_				159 500	Г'	1	
		1	-170 000	1	Less Depreciation		20 000	_	•	
Debentures 5%		-	30 000	<u> </u>				Т	T	000
Reserve I and Account	_	_	15 000		Short Workings					1000
Sundry Creditors	Ţ	_	98	τ.	Sundry Debtors					35 000
Profit and Loss Account-	_	_	=	_	Investments	٠			_	12 000
Balance		Ξ	25 000		Cash in hand and at Bank	t Bank	_	_	_	30 000
	-			4			_	_	_	2000
		_	£255 000	_	.=					£255 00M

Trip	1111	
VIIII NA	111111	
Darren	ERCIOE	

EXERCISE XVIII—No 11		147	HE DY	VA1	40 E	5	2 2	THE DYNAMO ELECTRIC LIGHTING CO LTD CAITAL ACCOUNT FOR THE YEAR LYDED 30TH JUNE 19	Ć	
	Expende to to 30th June 19	1 oc 2	Expended to 30th June 19	2 8		Tota Expend u e 30th June 19		-	Rece pts	1
Tn I rechaid Lat d Lord May Machinery & Fant Lord Machinery & Pant Name Name Name Name Name Name Name Name	\$ 500 \$ 000 \$ 000 \$ 000 \$ 000 240	"	4 -4-6-	99,000		250 250 250 250 250 250	7	By Opt any States of (10 acts)  Refer States paid up  Refer tures paid up	24 000 115 000 1 15 000	- 1 I
	£2( 320		£10 100	Н	36 450	8	_		_	
Dalace to Balance Sheet				1		2 150				
	_	=		_	639 000	99	_		000 66J	

CPNERAL BALANCE SHEET AS AT JUCK JUNE 19

Capital Account—		3	9		-4	47	. A	
Sundry Creditors	_	1000	_	General Stores		0450		
Debenture Interest		906	-	Sundry Debtors Sundry Debtors for Interest on		3 000	+	
Credit Balance -	_	1 563	-	Calls n arrear	-	25		1
			1	Cash at Bankers and in hand		3 300	4	
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	tracts.	_
THE DYNAMO FLECTRIC LIGHTING CO. LID. REVENUE ACCOUNT FOR THE YEAR EVEED 30th JUNE, 19.,	By Sale of Current per Meter , , Sale of Current ender Contracts , Rental of Meters . , Interest on Calls un arrear .	
FRI	70	,
23	- 50	1 1
O FL	7	900 -
AM	'a	1
N.A	9	i
HE D	£ 1,900 750 3 9000 5900	T
Revi	ancluding ame axte Engine	
Dr,	To Coal, or other Fuel including Expenses on the same of Water Cotton Wate Engine Room Stores , Wages at Stores at S	" Rates and Taxes

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8,750 5,000 300 25

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1,900	2 200 200	_	_		1,760	14,07	=
		17		-	176	/14,07	=
7	-	_	11	1	2,46	/ 14,07	=
7	-	_	11	1	2.46	/ 14,07	=
7	-	_		1	2.46	/1402	=
1,500		_	11	09	2,46	7 14,03	=
1,500		_	11	09	176	/ 14,03	_
1,500		750	11	09	1.76	/ 14,07	_
1,500		10,000 . 750 -	2,000	09	176	//14.03	-
1,500 600 100		10,000 . 750 -	11	09	-	V 14.03	=
1,500 600 100		% of £10,000 . 750 -	0% of £2,000	09	-	7 14,03	-
1,500 600 100		% of £10,000 . 750 -	© 10% of £2,000	ruments @ 15% 60	-	7 14,07	_
Printing 600 - 100 - 100		21% of (5 000 125 750 -	© 10% of £2,000	ruments @ 15% 60	-	14,07	_
Printing 600 - 100 - 100		21% of (5 000 125 750 -	© 10% of £2,000	ruments @ 15% 60	-	10,41	
Printing 600 - 100 - 100		21% of (5 000 125 750 -	© 10% of £2,000	ruments @ 15% 60	-	7 114,03	
Printing 600 - 100 - 100		21% of (5 000 125 750 -	© 10% of £2,000	ruments @ 15% 60	-	14,03	
Printing 600 - 100 - 100		21% of (5 000 125 750 -	© 10% of £2,000	ruments @ 15% 60	-	14,03	
Directors' Fees, Salartes of Staff Statunery and Fronting General Establishment Charges		21% of (5 000 125 750 -	@ 10% of £2,000	ruments @ 15% 60	-	(114,02	
1,500 600 100	Law Charges	Machinery @ 74% of (5 000 125	© 10% of £2,000	ruments @ 15% 60	" Net Revenue Account	114,03	

14,075

ò	2 465		ć	5	Received during Total,	25 000 250,000	000 27 17 - 000 167
LTD	evenue A/c		HNOC	19	Recoived to 30th June		- 000 F68 J
8	By Falance from Revenue A/c		THE DURHAM RAILWAY CO RECEIPTS AND EXPENDITURE ON CAPITAL ACCOUNT	FOR THE HALF VEAR ENDED 31ST DECEMBER		By 31% Preference Stock Ordinary Stock Prefraum on Shates Loa 3	50 000 - By Balance to Balance
MO ELECTRIC LIGHTIN	500 s d	- 75 465	IE DURITAM	ALF VEAR ENDS	Fotal	851 950	000 05
THE DYNA			Ti- Kacapps A	FOR THE II	Expended dur ng Half year	1000 2	-
(contd)	tures for Dividend ock or Shares		21 02		Expended to 30th June	4000 to 5	1 1 000 00
EXERCISE XVIII—No 11 (contd.)	To Interest on Debantures  Balance available for Dividend on Ordinary Stock or Shares		EXERCISE XVIII-No 12	Dr		To Lines Open for Traff o Lines in Course of Con- struction I ner not commenced	Contributions to Joint Lines Drand Cand
				70 s			

£t 011 000

8
RAILWAY
DURHAM
HE

EXERCISE XVIII-No 13 (contd ) TI  Dr Revenue Acc	HE TR	CNT RC	VA]	nid) THE TREAT VALITY WATER CO REVENUE ACCOUNT FOR 18E YLAR ENDED SIST DECEMBER 19	1	Ċ.	1
To Startes  Trittury  Trit	600 500 500 500 500 5200 5200 1155 400 500 1 000 1 000 1 000 1 150 1 100	» ·	Ø .	By Water Rents Trustict Less	14 667 330 21 21 6 15 041	9 1	w 1 1 1
D,	r Reve	30.8	Accol	NFT REVENUE ACCOUNT 31ST DECENDER 19		Ů	1
To Dividend on Preference Shares to date Internan Dav deerd on Ordinary Shares 15 Apr 19 Teerveb tand Account . Balance for datribution .	3 000 242 4 232 £8 674	9 1 1 1	<i>a</i> '	By Balance, of Net Revenue Account Jac Jan 19 Revenue Account a Ralance from Revenue Account	£ 1000 7 674 /8 674	9 1	
							1

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3,163

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### EXERCISE XVIII-No 14

Dr	GAS SALES ACCOUNT	cr_
j	19 By Sandry Consumers	£ 3°0 10 −
D	COKE SALES ACCOUNT	C <sub>7</sub>
	By J Smith	£ 1 d
D	SUNDRY GAS CONSUMERS	C+
19	To Gos Sales Account	£ 1 d 304 9 6 16 - 6
D	у јони злітн	Cr
19	To Coke 6 15 4 19 By Cash on Account c/d	1 15
D	A B CO	Cr
19	To Cas Fitting, Returns (10 10 10 10 10 10 10 10 10 10 10 10 10 1	£ 120 -
	GAS FITTINGS ACCOUNT	Cr
19	To A B Co Les 1 4 19 By A B Co (Returns)	£ 20 1 d
L	DISCOUNT ACCOUNT	Cy
19	To Sundry Gas Com	
1	CASH ACCOUNT	Cr
19	To Study Cas Contains.	

# EXERCISE XVIII-No #5

Dr

#### MUNICIPAL WATERWORKS LEDGER ATLAS ASSURANCE CO (Loan of £10,000 & 4th repayable at 28 years. Terms -Principal by equal annual instalments Interest half yearly on balance outstanding )

19 19 To Cash By Cash 500 i Cash 180 10 Interest 190 Intame Tax Dr MESSES STOVE & Co., CONTRACTORS Ce 19 To Cash  $D_r$ IOHNSON & CO Cr 19 19 To Cash By Materials  $D_{r}$ INTEREST ACCOUNT Cr 19 190 S To Atlan Atsurance Co. DrINCOME TAX ACCOUNT By Atlas Assurance Co Dr MATERIALS ACCOUNT 19 To S Johnson & Co By Repairs to Mains Dr C. REPAIRS TO MAINS ACCOUNT 19 To Materials Cr Dr CASH ACCOUNT 19 To Atlas Assurance Co By Atlas Assurance Co Atlas Assurance Co 180 400 78 Messrs Stone & Co. S Johnson & Co

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7.0

THE GREAT SOUTHERN RAHIWAY CAPITAL ACCOUNT FOR THE HALP YEAR ENDED SIST DECEMBER 19	Ideal Recepts Re r file Total du ng Au ng Au ng Au ng Au ng 19 list year 19	1   Py New PC - Size   1   1   1   1   1   1   1   1   1	REVENUE ACCOUNT FOR THE PIALF YRAR ENORD 31ST DECEMBER 19	Dy Recepts from Passagers   106 401   1   4
IE GRE		69 228 CD8 637 EJ5 69 843 GZ3	T TOR	28 373 93 073 14 858 61 098 14 3 342 18 199 18 199 18 199 147 3 1 060 31 060 31 060 31 060 31 060 31 060
TII	Expended Expended of a ng of a ng 158h June 1558h year	900 by P 2	REVENUE ACCOUR	
	Early 30sh	To Estructing Common for Upon Horacing Stock 618 661 661 661 661 661 661 661 661 661		To Exprenditure on Maintenance of Way Mattorne for I communication from the Communication of

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8	
7	
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×	٩

	Total Received	13 km 1 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Amount Received during Vear	3,000,00
	Amount Received to 1st Jan	\$ 000 s
TI.	Receipts.	By Share Cignal
Accour		
CAPITAL ACCOUNT	Total Expendi-	5 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 2 Sun 3 Sun
,	Amenat Expended during Ven	# 1 000 # 1 000 # 1 000 # 1 000
	-41	7737  2
	Amount E.	2,000 2,000 2,000 1,000
	-	To Irreport Land 6 000 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

EXERCISE XVIII-Nos 18 to 20

See exparate sections of Chapter XVIII on-(a) Gas Companies for answer to Question 18. (b) Water Companies for answer to Question 19. (c) Licette, Light Companies for answer to Question 20

#### EXERCISE XVIII-No 21

(a) Premiums received on an issue of Debentures would be shown as a separate liability in the Balance Sheet or be transferred to a special account te Capital Reserve

(b) The Policy on A B s life if accepted as a discharge of A B s debt of 46 000 would be shown in the books of account as under—

	JOURNAL_				
13	Insurance Co (Suspense A/c) Bad Debts To A B For life policy endorsed over by A B in sat staction of debt and balance of account irrecoverable transferred	5 000 1 000	s d	£ 6 000	s d
	CASH BOOK				
19	By Insurance Account (Premiums on life policy paid) and so on for each year until the decease of A B It would be use to write off to Profit and Loss the item Insurance		s d	Í30	s d
	JOURNAL				
(0)	Plant Account To A Co Invoice price of machine purchased	750	s d	€ 7a0	s d
	A Co To Exhibition Account For allowance by vendor for machine exhibited	300 (1 <b>0</b> 50	Ш	300	<u> </u>
		£1 050	ഥ	11 050	ناسل

#### EXERCISE XVIII-No 22

The books in addition to the ordinary Books of Account to be kept for the purposes of a complete system of Cost Accounts are as detailed below— (a) Stores Books is —

- (1) Stores Received (2) Stores Issued
- (b) Sto es Ledger (c) Wages Analysis Book
- (d) Cost Ledger

The system would provide adequate records of-

- (1) Materials used
  - (2) Wages paid

(3) The precise cost of a job provided the Cost Ledger is suitably ruled with analysis columns for showing direct and indirect expenses (factory and office overhead)

EXERCISE XVIII No 23 (contd.)

# THE PAIL OF MIXIORES CO LTD BALANCE SHEET AS AT 31ST AUGUST 19

A 1	19 1
2 059	4 153 2 890 3 719 719
<u>8</u>	
~ =	
2 258 228 16 8 16	
PROPERTY AND ASSETS Plant and Machinery Less Depreciat on	Social Social Social Social Social Social Social In the Social In the Social So
s &	
10	
7	5 433 1 509 2 769 2 114 2 825
\$	
45	
2 500	
CAPITAL AND LIABILITIES Nominal Capital— 7 500 Ordinary Shares of £1 each	1 May Gaptul— 1 May Gaptul— 1 May Gaptul— 1 May Carl Loru I 1 May Carditors

(a) Stock and Plant appear to have been merged in the account of Stock. It is advisable to keep distinct accounts of both Stock and Plant. Comments on Final Accounts presented for Crittersm-

(a) Deprecation on Plant is a necessary adjustment at balancing time and appears to have been overlooked (c) The statement of Capital in the Balance Sheet is incomplete no indication of voluntal on actival value of shares stated.

#### EXERCISE XVIII-No 24

#### IOURNAL.

19 . Mar .	Share Capital Account To Forfeited Shares Account Junal Call 100 shares forfeited by Thomas Robinson for Non-payment of amount due on aforesaid shares	£ 1,000	s d	355 645 645	s d
---------------	--	---------	-----	-------------------	-----

#### EXERCISE XVIII-No 25

- (I) The issue of Debentures at 90 per cent repayable at ten years mill appear as a liability in the Balance Sheet viz. Debentures  $f(0,00^{\circ})$  A proportional amount of the Debenture discount vill be written off each year, i.e.  $\frac{1}{10}$  of  $\frac{1}{2}$  1000 =  $\frac{1}{2}$ 100 the balance appearing as an asset until extinguished
- (2) The expenditure on advertising a new patent medicine may be written off by either of the following ways-
- (a) over a number of years say, from three to five,
- (a) over a name of years (a), from three to nve, (c) an amount each year bearing some relation to the varying turnover, until extinguished
- (3) A debt owing uv a director must be shown separately on the a set sale of the Balance Sheet

36 660 099 85 F ů By Frad 6.A o (For transfer of coss of P. g. Iron produced) FURNACE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 19 THE SHERBOURNE IRON FURNACE CO. 1 TD Total 2,528 45 014 47 542 2 08 15 436 2 000 2 500 092 85 J Color 2562 28 K27 90 27 727 32 22.5 3 384 3 442 , e , i ٥٥ 1 128 14 245 EXERCISE XVIII No 26 Carringe Inwards
Wages (Lurnaces)
Rep. 18 a. d. Renewa s of
Furnaces, etc. Lass Stocks 70th orpt To Stocks 1st Oct â

	15/11/1/	20 (00000	
		K XVIII	
	2000	N X X X	

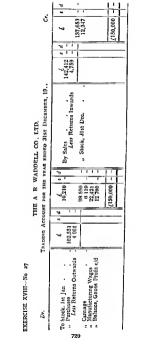
THE SHERBOURNE IRON FURNACE CO LTD TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 301M SEPTEMBER, 19.,	By Sales of Pig Iron, 30th Sept 16 045	816 2017	By Irading Account 17 988			71,986	
ERBOURNE IRON PU Loss Account for the	26 272 - By Si 58 650 Si 17 986 Si	(102 918		385	3 000 9 876	17 996	
THE SII  TRADING AND PROMIT AND	ock of Pig Iron 1st Oct irnace A/c (cost of Pig Iron produced) alance, Gross Profit	7	ates and Taxes epairs and Renewals of Rolling Stock ffice Salaries and Sundry Wages	raveling Lypenses nsurance (Fire & Employers Lability) aw Charges	ad Debts arriage Cutwerils alanco, NET Profit c/d		

ACCOUNT	By Balance, 1st Oct , , Cutrent Year's Profit
PRIATIC	, i
L COL	<b>4</b> 111
757	5 995 2 000 9 703
	To Drudends paid 31st March on account of the year ended 30th Sept. 19 " Drudend Reserve " Balance to Balance to Balance Speet.

7,822 - 9,876 -

(could)
20
2
EXERCISE

		THE SP BALA	TET.	S .	URN	E 2	2 5	THE SHERBOURNE IRON FURNACE CO LID Balance Sheft as at 30th September 19		- 1	ĺ		1	
	CAPITAL AND LIABILITIES Nominal Capital— 150 000 Shares of £1 each	9 9 000		=	*	· w	a.	PROPERTY AND ASSETS I rechold Premises Furnaces Fixed Plant & Utensils I companies and Reline Stock	Va .	*e	23 400 24 920 7 411	99-	9111	
7	Issued Capital— 120 000 Shares of £1 each 10/ per share called up Less 100 Shares forfeited	60 00 50			080			Stocks— Pig Iron Limestone Coal and Coke	16 045 78 900					
19	Forfested Shares Account Dividend Reserve Account Add Fransfer from Profit & Loss	2 000 2 000	-	<del></del>	9		_	Sundry Debtors Cash in hand		-	18 151 7 257 224	507	111	
	Bank Overdraft Bills Payable Sundry Creditors Profit and Losts Account— Balance available for distribution				1 981 1 20 5 604 9 703	1 ( )								
				1 60	81 363		7				81 363	11 363 -	111	



EXERCISE XVIII-No 27 (contd)

CEMBER 19	12 3	
THE A R WADDELL CO LTD PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19	s d   By Trading Account Ren's Received Balance, NET Loss	_
HE A F	30,6	
# A	9	_
P Loss	2 450	S
Dr Profit and	To Salaries General Expenses Tates Taxes and Insurance	Less Insurance paid in advance

by Trading Account	Rents Received	Balance, Nur Loss . ,																							
T	_		_	,		=	_		=	•	-				•	_	~	Ξ	-	_	_	_			Ī
_	,					_	1					_		_		_	_	_	_		_	Ξ			
990	941			2 400	232		1 027	50	-	2 793	750	9	447	766	1 174		647	220		951			16.000		
=		_		1		Ī		-	_					_				=					_	2	-
_	_		_	Ţ		_		_		_		_	_	_	_	_	_	_		_		_	_	_	
_		2 450	S		_				_				_												
Safarice	General Expenses	Rates Taxes and Insurance	Less Insurance paid in advance		Debenture Interest	(including 6 mos due)	Repairs and Renewals	Alterations and Improvements	(\$ of £2 505 W/o)	Advertising .	Directors Fees	I egal Fxnenscs	Preliminary Expenses	Tighting and Heating	Discount	Iravellers Expenses and Com	mission	Addition to Bad Debts Reserve	Depreciation-	Plant and Machinery etc	(10% of £9 \$10)				

16 000

Iravellers mission :

:

THE A R WADDELL CO LTD

	, a		1	1.1	1	111	1		1.
			T	1.1	1	111	7		T
	7 000 92		800's	900	12,347	15,842	3,000		000 82
	\$ 4	$\neg \tau$	<u> </u>	П	77	T			=
	*	1.1	111	i i	11	Τ			
	7	9,510	2 505		18,342				
BALANCE SHEET AS AT 31ST DECEMBER 19.,	PROFERTY AND ASSETS Treebold Land and Buildings	Plant, Machinery, and Fixtures Less Depreciation	Alterations and Improvements Less   written oil	Goodwill	Sundry Debtors . Less Bad Debts Reserve .	Cash in hand Insurance prepaid	Pront and Loss Account (balance)		
₹	a				_			-	Ľ
AS	10							-	<u> </u>
SHEET	3		8	3		5 000 125	3,000	6,124	000 84 9
e l	s d		_		-			_	7
2	49	1							_
DAE	7	000 001			56.250 250				
	CAPITAL AND LIABILITIES Nominal Capital—	y Shares of (10	Issued Capital— 500 Ordinary Shares of £10 each issued as fully paid	7,500 Ordinary Shares of £10 each, £7/10/- per share called	up Less Calls in Arrears	5% Debentures Debenture Interest accrued Reserve for Detremation of		Sundry Creditors	

EXERCISE XVIII-No 28

# MONTHLY COST SHIET

s d & s d & s d Percent		150 - 58 33		100		09	0987
 7	342		220		337		9

Indrect Materials— Sand Limestone Sundry Stores

Fuel Indirect Is ages— Coremakers

Foremen Dresvers Other Wages

Direct Wages

Overhead Foundry Expenses— 40 per cent on £150 duret wages Cost of producing 420 cwt\_castings

Cost of producing 420 cwt ca Cost per cwt of cartings

#### EXERCISE XVIII—No. 20

HOURNAL

	Journ			_			
1932 Jan 1	Debenture Holders - Debenture Discount Account To Debenture Account Issue of 200 debentures of £100 ench at 95	2 4 3	19,000 1,000	5 4	20,000	5	d
1932/36	Profit and Loss Account To Debenture Discount Account Amount written off	7 4	500		500		-
1937 Jan 1	Debentures Account To Share Capital Account Share Premute Account Debenture Discount Account Being conversion of 220,000 debentures into 19,000 Shares of 41 each shares allotted this day	3 5 6 4	<b>20,0</b> 00		19 000 500 500		
			£40,500	3	£40,500		=
Dr	BANK ACCO	บา	τ		C <sub>7</sub>	1	_
1932 [an 1 To	Debuture Holder 2 19000		_				

$D\tau$	DEBENTURE HOLDERS	Cr 2
1932 Ian 1 To Debentures	J 1 1 1900 1 1 1932   By Back	1 2000 1

Dr	DEBENTURES AC	By Debruture Hol	Cr 3
Account Share Premuum Account Debeature Dis count Account	[ ] 1 200	Holders Debrature Dis count Account	£36 036

#### EXERCISE XVIII-No 29 (contd)

Dr		DEBE	NTURE	DISC	OUN	ACCO	UNT		Cr	_
1992	To Debenture	,	1 000 t	s d	1532 3 1937 Jan 1	By Amo off Deber	¢ sritten	} !	£ 500 500 £1 000	
Dr		SH	IARE C	APIT	AL A	ccoun	Γ		Cr	5
	-			1	I9 Jan 1	By Debe	nt ro	11	19 000	s
Dr		SH	ARE PI	REM1	UM A	ccoun	т		Cr	G
				1	1937 Jan 1	By Debe	te.	5 1	5/10	5
									Cr	7
$D_1$	,	PR	OFIT A	VĐ L	.055 /	rccour	4.1			
D:	Fo Debeutur	o Des 1	OFIT AT	S 4	oss A	COUR				
193 /36	To Debeutur count	Des 1	50	s d	ccou				Cr	
193 /38 EXER	To Debeutur count	Des 1	50	s d		NT	eccivi do	cia	Cr 449 1 630	14
EXER D	CISE XVII	I—No	2 500 LEA	SE A	ccou	By Dep	eccivi do	cid	449 1 630	- 514
EXER D	To Bank Interest	I—No	2 500 LEA  2 500 % 6 6 7 1 995 6 1 246 4 4 4	SE A	Sear 1	By Dep Bala	recent ap		449 1630 £2080 1449 1°46	5 1 19 56
EXER D Year 2	To Bank Interest  To Balance To Balance	I—No	50 LEA  2 000 50  6 000 50  6 000 1 1 246 1 1 246 1 1 246 1 1 246 1 1 246 1 1 246 1 1 246	SE A  14 13 4 7 13 0 0 114 5 17 15 11 10 6 9 17 10	Sear 1	By Dep Bals  By Dep Bals  By Dep Bals	pectat on	cid	£ 449 1 630 (2 080 1 246 51 69 449 817	54 19 56 11 5
EXER D Vear 2	To Balance Interest  To Balance Interest  To Balance Interest  To Balance Interest	I—No	50 LEA  2 500  80  6 090  1 1 246  1 1 255  1 1 255  1 1 255  1 2 33	SE A  4  14 17 17 19 6 9 17 10 6 5 7	Vear 2	By Dep Bale  By Dep Bale  By Dep Bale  By Dep Bale  By Dep Bale	receive on the control of the contro	cid c d	449 1 630 (2 089 1 246 51 69 449 817 (1 296 449 431	111 5

#### EXERCISE XVIII-No 31.

TO	ŧΤ	15	N	Α	T

	JOURNAL				
19 Mar 2	Re-valuation Account To Stock-in-Trade Motor Vehicles Reserve for Bad Debts Sundry Creditors Agreed reductions in values of assets and introduction of liability omitted	<b>Š</b> 10	s d	194 200 86 30	s d
	Plant and Machinery Account To Re-valuation Account Agreed increase in value of plant	250	-	250	1
	W Fison Capital Account T Barrett Capital Account To Re valuation Account Transfer of shares of loss on re-valua-	130 130	1	260	
	Goodwill To W Fison Capital Account Introduction of Fison's share of goodwill	500		500	
	W Fison Capital Account To W Fison deceased Loan trans fer	2,370		2 370	

# EXERCISE XIX-No 1

"Short workings' relates to the right a lesses of a runn (or quarry) has to recoup out of future excess cryattes for "Shorts" (or Shorts workings) to deficiencies on Royalties to most the Minimum Dead Rent in past years. The item is tracted as a temporary asset At the expiry of the period of recompinent of Short-workings the item would be transferred to the Profit and Loss Account.

#### EXERCISE XIX-No 2

# INTERNATIONAL WAGON CO S LEDGER

Dr	HARD COAL COLLERY CO	Cr
July 1 To Sandr es July 1 Interest (7%)	5 500 s d 19 1 By Cath 175   July 1 By Lathe e/d	6300 s d 4873 s
July 1 To Be ance byd 19 Jan 1 Leterest	4 875   19 Jan 1 By Cash   Balance c/d	300 4 745 17 8
In 1 To Balance bid	(5 045 12 6 a 19 19 1 By Cash Ba ance c/d	300 4 611 14 5
July 1 July 1 Jan 1 Interest	161 8 2 1 Ba ance c/ú	\$00 4 473 2 7
Jan 1 To B ance bid	14 473 2 7 July 1 By Cash Salance c/d	£4 773 2 7 300 4 329 13 9 74 629 13 9
Ju y 1 Ju y 1 Ju n 1 Jan 1 Interest	4 329 13 9 J n 1 By Cash 151 10 9 , 1 Ba ance c/d	300
19 Jan 1 To Ba ance h d	4 151 4 6	£4 48 4 B

HARD	COAL	COI	LIERY	со	s	LEDGER

Dr	WAGON ACCOUNT		NT	Cr
19 uly 1	Ta Wagon Co	128 s d Ju 3	By Balance old	10 1
19	La Brisnes plq	12a   19 Jan	By Balance c/d	254 7
an 1	" Wayon Co.	129 7 6 1254 7 6		£254 7
19 20 1 10 1	To Balance b/d Wagon Co	2>1 7 6 July 133 19 1	By Balance c/d	388 5
		£388 5 7		€388 5

#### EXERCISE XIX-No 2 (contd)

Dr		WAGON ACCOUNT (contd).					Cr					
19 July 1	To Balance b/d			£ 388	3	4	19 Jan 1	By Balance c/d .	1	£ 526	17	4.
Jan. 1	" Wagon Co	٠		138 /S26	-	10			- 1	€526	1,7	Ļ
19 .				-	Н	5	19 ,		- 1	670	П	٤
July 1	To Balance b/d , Wagon Co.		:	526 143	8	10	July 1	By Balance c/d ,	1	2670	6	Ľ
19			ı	£670	6	3	19		ď		н	-
July 1 19 Jan i	To Balance b/d "Wagon Co.		۱	620 148	1.7	3	Jan t	By Salance c/d .	1	818	13	В
140	, water co.			£818		6			ı	£818	15	6
. 19					П				-1			

#### EXERCISE XIX-No 3

# B S COAL CO'S LEDGER

Dr	INSTALMENTS	Dh Wagons of	n Hir	E-PURCHASE ACC	OUNT	Cr.
Year I	To Cash ,, Wagon Account	200	Year 1	By Depreciation , Balance old .	:	115 - 230 -
Year 2	To Balance b/d Wagon Account	200	Year 2	By Deprenation , Balance 6/d		103 10, 331 10
Year 3	To Balance b/d Wagon Account	231 10 - 200 -	Year 3	By Deprecation ,, Balance n/d		91 3 438 7
Year 4	To Balance b/d , Wagon Account		Year 4	By Depreciation . Balance ofd		\$3   16 554   10 (638   7
Year S	To Balance b/d , Wagou Account	1-2-1-1	Year 5	By Depreciation ,, Balance c/d .	.	75 9 679 1 £754 10
- 1			. !		-	

#### EXERCISE XIX-No 3 (contd.)

D	r WAGON HIRE	ACCOUNT	Dr	WAGON	Co
Year 1	To Wagon Co	£s0 s d	Year 1	To Cash	£400 = d
Year 2	To Wagon Co	£40	Year 2	To Cash	£240
Year 3	To Wagun Co	£30	Year 3	To Cash	£230 -
Year 4	To Wagon Co	£20	Year 4	To Cash	£2°0
Year 5	To Wagon Co	£10	Year 5	To Cash	1310
	(A)		[	(13)	

<sup>(</sup>A Cr s de of account each year would be closed by Profit and Loss Account, (B Cr side of account each year would be stated. By Sundres.

#### EXERCISE XIX-No 4

D	HIR	HIRE PURCHASE ACCOUNT		
19 Jan 1 Dec. 31	To Sales (at cost) Balance—Current year a profit	1   1   19   19   10   10   10   10	1 5	

EXERCISE XIX-No 5

COLLIERY	co	s	LEDGER

		OLLIERY CO S L		
Dr	INSTALMENTS O	ON WAGONS ON HIRI	E PURCHASE ACCO	UNT Cr
Year 1	To Wago i Co	391 15 3 Year 1	By Depressat on Balance t/d	216 9 6 175 3 9
Year 2	To Balance b/d Wagon Co	£391 15 3 175 5 9 Year 2	By Depreciation Balance c/d	£391 15 3 194 16 6 391 16 3
Year 3	To Balance b/d Wagon Co	#586 12 9 391 16 3 Year 3	By Depreciation Balance c/d	175 6.11 648 7 8
Year 4	To Balance b/d Wagon Co.	£823 14 7 649 77 8 453 10 4 (1 101 18	By Depreciation Balance c/d	£8°3 14 7
Year 5	To Balance h/d Wagon Co.	944 1 10 Year 5 476 3 10	By Depreciation Balance c/d	142 7 1 278 3 1
Year 6	To Balance h d	1278 5		

#### EXERCISE XIX-No. 5 (contd.)

D	Tr.	// vco/	Account	Cr.
Year 1	To Casta	72,164 14 9	Year 1 By Depreciation Estance c/d	216 9 6 1,348 5 3 12,164 11 9
Year 2	To Halance b'd .		Year Z By Depreciation Balinom 4 d	194 15 6 1,743 8 9 (1,948 5 3
leax 3	To Raiance b d		Year 3 Ey Depreciation Balance ad	1,578 1,10 (1,578 1,10
lear 4	To Balance b/d .	1 578 1 10	Year 4 By Depreciation	157 16 2 1,420 5 9 (1,578 1 10
tear 5	To Balance b'd		Near 5 By Depressions	142 - 7 1,278 5 1 (1,423 5 8
Year 6	To Rajance t/d	1,278 0 1		112

Dr.	MAGON CO	Dr WAGON HIRE ACCOUNT
Year 3 To Cash	£x00 -	Year 3 To Waron Co [68] 1 5
Year 4 To Cash Year 5 To Cass		Year 4 To Wagon Co . 446 9, 8 Year 5 To Wagon Co 23 16, 2
	,,,	4R0

<sup>(</sup>A) On the Gr side of account each year would be stabed "By Sindrick."

(B) On the Gr side cach year is closed by Fridit and Loss Account."

<sup>.....</sup> 

#### EXERCISE XIX-No 5 (contd)

#### SELLER S BOOKS

D	•	COLLIERY CO		Cr
Year 1	To H re Pu chases Sales Account Interest	£ 5 d Year 1	By Cash ,, Balance c/d	1 772 19 6
Year 2	To Balance b/d Interest	(2 272 19 6 1 772 19 6 83 13 (1 861 12 6	By Cash Balance c/d	72 272 19 6 500 1 361 12 6
Year 3	To Balance b/d Interest	1 351 12 6 Year 3 68 1 6	By Cash Balance c/d	500 979 14 2 (1 429 14 3
Year 4	To Bajance b/d Interest	929 4 2 46 9 9 1976 3 11	By Cash Balance ofd	500 476 3 11 £978 3 11
Year 5	To Balance b d Interest	476   3   1 23   16   1 £500   1	5 By Cash	\$00 £800

Dr	HIRE	PURCHASE I	VIEREST	ACCOUNT	Cr
Year 2 To Profit	and Loss	£108 4 8	Year 2 Year 3 Year 4	By Coll ery Co By Collery Co By Coll ery Co By Collery Co By Collery Co	£108 4 £88 13 £69 1 £46 9 £12 16

# EXERCISE XIX-No 6

#### IOURNAL OF BUYER

Vagon Account Dr Interest Suspense Account To Wagon Co For wagons purchased on instalment payment plan	2 164 14 10 2 2 500	d
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# EXERCISE XIX-No. 6 (contd.)

#### BUYER'S LEDGER

L	),.	WAGON ACCOUNT		Cr.
Year 1	To Wagon Co.	2,164 14 10 Year I	By Depreciation Balance c/d .	£ 16 9 6 1,948 5 4
Year 2	To Balance b/d	£2,161 14 10 1 548 5 4 Year 2	By Depreciation  Belance old	(2,164 14 10 194 16 6 2,733 8 10
Year 3	To Balance b/d		By Depreciation . Belance old	(1,948 5 4 175 6 10 1,578 2 -
Year 4	To Balance b/d	-	By Depreciation , Balance c/d	157 16 2 1,420 3 10 £1,578 2 -
Year 5	To Balance b/d		By Depreciation Balance 0/d	142 - 7 1,278 5 3
Year 6	To Balance b/d	£1 420   5 10 1,278   5 3		(1,420 9,10

Dr		WAGOY ACCOUNT	Cr
Year 1	To Cash , Balance o'd	£ 500 - 1 Lear 6 By Sundnes	2,300 -
Year 2	To Cash ,, Balance c/d	62 500 Lear 2 By Balance b/	
Year 3	To Cash ,, Balance o/d	2 000 - Year 3 By Balance b/s	1 500 -
\ear 4	To Cash "Balance old	500 - Year 4 By Balance b/c	
Year S	To Cash	500 - Year a By Balance b/o	

#### EXERCISE XIX-No 6 (contd)

$D_r$		INTEREST SUSPENSE ACCOUNT	C+
Year 1	To Wagon Co	£ 335 Year 1 By "ropt and L 15% £2 16:	1/14/10)
		£330 5 2	227 (335 5
Year 2	To Balance b/d	227 - 5 Year 2 By Profit and L (5° 6 £1 77	2/19/7)
		E27 5	138 7
Year 1	To Balance b/d	138 7 6 Year 3 By Profit and 1 (5° c £1 %	1/12/8) 1
- 7	U	£138 7 6	70 3 1 €136 7
Year 4	To Balance b/d	70 5 10 Year 4 By Profit and 1 (5% (928	9/14/2)
11		(73 a 10	£70 5 1
Year 5	To Balance b/d	23 16 2 Year 5 By Profit and 1 (5° 247)	Loss 23 16 6/3/10)

Year 5	To Balance b/d	. 23 16 2 Year 3	5 By Profit and Loss (5° a £476/3/10	23 16 2
D		SELLER'S LEDO	GER	C <sub>2</sub>
	<u></u>	COLLIERT CO		
Year 1	To Sundries	2 500 5 4 Year	By Cash Balance c/d	2 000 -
Year 2	To Balance b/d	2 900 Year	By Cash Balance c/d	F2 300 L 500
Year 3	To Balance b/d	2 000 Year	3 By Cash Balance c/d	500 1 900
Year 4	To Balance b/d	1 000 - Year	By C sh Balance c/d	\$1 500 - 500 - 500 -
Year 5	To Balance b/d	71 000   - 500   - Year	5 By Cash	£1 000

#### EXERCISE XIX-No 6 (contd.)

Dr	INTE	REST SUSPENSE A	ACCOUNT		Cr		
Year 1 To P	(5° a. £2 164/14/10)	1 1 1 1	By Colhery Co		£ 335	5	2
	alance t/d	227 S £335 s 2			£335	5	-
	rofit and Loss (3% £1,772/19/7) alance c/d	88 12 11 Year 2 138 7 6	By Balance b/d	•	227 (227	1	
	rofit and Loss (5°c, £1,361/12/6) alance c/d		By Balance b/d	·	138	7 0	5
Year 4 To Pr	ofit and Loss (5% £929/14/2)	f138 7 6 46 9 8 1car 4	By Balance b/d		£138	7 6 3 10	
Year 5 To Pr	dants c/d offt and Loss (5% £476 3/10)	23 16 2 £70 5 16 23 16 2 Year 5	By Balance b/d	Ì	£70	10	,

# EXERCISE XIX-No 7

See Advanced Accounts pages 905-907 (inclusive) under First METHOD

#### EXERCISE XIX-No 8

#### JOURNAL OF JAS FINCHAM

Year 1			£ 500	5	ď	£	ľ	d,
	30 000 tons @ 4d per ton Redeemable Dead Rent To Landford	1	500	-		1 000	1	-
Year 2	Royalties	، إ	666	13	4		ı.	
	40 000 tons @ 4d per ton Redeemable Dead Rent To Landlord	1	333	6	8	1,000	1	-
Year 3	Royalties . 70 000 tons @ 4d per ton To Landlord	1,1	66	13	4	1 000		
	" Redeemable Dead Rent .	۱.		_	-	£3 169		~
		£3,1	66	13	4	£3 163	13	

#### EXERCISE XIX-No 8 (contd)

#### JAS FINCHAM'S LEDGER

Dr		LANDLORD	Cr
Year 1	To Cash •	1 000 s d Year 1 By	Royalties 500 -
Year 2	To Cash		Royalt cs 656 13
Year 3	To Cash	1 000 Year 3 B	Royaltses 1 000
D	,	ROYALTIES ACCOUNT	C+
Year 1	To Landlord	(	y Trading A/c £ 500 2 4
Year 3	To Landlord To Landlord R D Rent		y Trading A/c 866 13 1 166 13
		£1 166 13 4	£1 166 13
	7	REDERMABLE DEAD REV	vT Cr
Year 1	To Landierd Landierd	£ 500 5 d Year 3 B	y Royalties 183 13 Balance c/d 666 13
Year 3	To Balance b/d	£833 6 8 666 13 4	£833 6

	JOURNAL OF COLLIES	RY CO					
Year 1	Royalties	į (	s	a	£	5	4
	4 000 tons @ 6d per ton Redeemable Dead Rent To Landlord	400	-	-	500	-	ļ.
Year 2	Royalties 16 000 tons @ 6d per ton	400	-				
	Redeemable Dead Rent To Landlord	100	-	-	500	-	
Year 3	Royalties 28 000 tons @ 6d per ton	700					ļ
	To Landlord Redeemable Dead Rent				500 200		l
		£1 700	-	-	£1 700	-	T

 $C_{T}$ 

#### EXERCISE XIX-No. 9 (contd) $D_r$ ROYALTIES ACCOUNT

736

To Landlord To Landlord To Landlord , RD Rent	. 600 - 4 Year 1 By Trading A/c  - 200 Year 3 By Trading A/c  - 200 Year 3 By Trading A/c	. 100 - 1 . 400 - 1
	LANDLORD	Cr
To Cash	Year 1 By Royalties	100 1 4
to Cash ,	, S00 Year 2 By Royalties , R D Rent .	400
o Balance e/d	Year 3 By Royalties . Acar 3 By Balauce b/d .	500
	REDEEMABLE DEAD REST	Cr
o Landiord	E doo - Year I By Belance old	400
o Balance b/d Landlord	100	500
	£500	£500
	fo Lindlord  fo Landlord  m. R.D. Rent  fo Cash  o Cash  o Cash  o Landlord  o Landlord	To Landised 100   Year 2 By Tracking Ale 200   Year 3 By Tracking Ale 200   Year 3 By Tracking Ale 200   Year 3 By Regulation Ale 200   Year 1 By Regulation Ale 200   Year 2 By Regulation Ale 200   Year 3 By Regulatio

Dr	REDEEMABLE DEAD REST	Cr
Year 1 To Landior Year 2 To Batance Landior Year 3 To Batance	b/d . 600   leac 2 By Balance q/d . 6500	500
EXERCISE XIX	—No. 10  ROYALTIES ACCOUNT	C+
Year 1 To Lord of Year 2 To Lord of		1,100

Year 2	Landlord .	100 less 2	By Balance o/d .	(500
Year 3	To Balance b/d ,	900 - Year 3	By Royalties , Profit and Loss	200 500 [s00]
EXER	CISE XIX-No. 16	•		
EXER		ROYALTIES ACC	TNUC	C+

		€500		, Front and 125	£*00 -
EXER	CISE XIX-No. 10	ROYALTIE	s acco	DUNT	Cr
Year 1 Year 2 Year 3	To Lord of the Manor To Lord of the Manor To Lord of the Manor Overpaid Royalties	1,000 = d 1 100 = 1 1 200 = - 100 = -	Year 2	By Trading A/s By Trading A/s By Trading A/s	1,000 -

Dr .		ROYALTIES ACCOUNT				C+
Kear I	To Lord of the Manor	1,000	Year 1	By Teading A/s		1 000
ear 2	To Lord of the Manor	1 100	Year 2	By Trading A/c		1,100
ear 3	To Lord of the Manor  Overpaid Royalties	1 200	Year 3	By Trading A/c	٠	1,300
		£1,380				o.
	To Lord of the Manor	1 200   -	Year 4	By Tradics A/c		1,25

## KEY TO ADVANCED ACCOUNTS

## EXERCISE XIX-No 10 (contd.)

D,	. 1	LORD OF TH	E M	INOR	Cr
Year 1	To Cash	1 200 = 4	Year 1	By Royalt es Overpaid Royalties	1 000 = 200 =
Near 2	To Cath		Year 2	By Royaltica Overpaid Royalties	£1 200
Year 3	To Cash To Cash		Year 3 Year 4	By Royalties By Royalt es	£1 200 £1 200 -
D	<u> </u>	OVERPAID F	AYO	LTIES	Cr
Year 1	To Lord of the Manor To Balance b/d Lord of the Manor		Vear 1 Vear 2	By Balance c/d By Balance c/d	200 s

₹300 To Balance h/d £300 £300 To Balance b/d 50 150 £200 £200 Year 5 To Balance b/d.

The balance of O erpaid Royalties would appear as an Asset in the Balance Sheet

## EXERCISE XIX-No. 17

## JOURNAL OF COAL MINE CO LTD

Year I Mar 25	Ground Rent Royalties To G Risch	£	25 - 40 -	đ	£ 65	s	đ
Sept 29	Ground Rent Royaltus Redeemable Dead Rent To G Risch	- 1 :	25 - 22 10 17 10 30	-	65 £130	-	-

Year 2	JOURNAL OF					£ 25 40		-	£	s
Mar 25	Royalties To G Risch		:	:			-	-	65	
Sept 29	Ground Rent Royalties To G Risch	-	:		: :	25 42	10	-	67	10
. 29	Royalties To Redeemable	Dead	Rent	:	-	17 £150	10		17 (150	10
	LEDGER OF	THE	CO	L M	INE	co. I	TD	_	Cı	
Year 1	To Cash ,, Cash	65 65	111	ear 1 lar 25 25 ept 29	. G	round Re toyalties found Re toyalties LD Rent	eșt.	:	624	5 10

Dr		e r	ISCH		
Year 1 Apr 15 Gct 20	o Cash Cash	 65 5 d	Year 1 Mar 25 , 25 Sept 29 , 29 , 29	By Ground Rent Royalties Ground Rent Royalties Royalties Royalties	25 - 22 10 - 17 10 -
Year 2 Apr 15 Oct 20	Fo Cash ,, Cash	£130 - 65 - 67 10	Year 2 Mar 23 23 Sept 29 1, 29	By Ground Rent Royalties Ground Rent Royalties	25 40 25 42 10 (132
		 0			Cr
Dr		 ROYALTIE	s ACCO	UR1	(   5 4

Year 2 Apr 15 Oct 20 To Cesh	C130 - 29 R.D Rent R.	25 42 10 - £132 10 -
Dr	ROYALTIES ACCOUNT	
Year 1 Apr 23 Sept 29 To G Reach		£62 10 -
Year 2 Mar 25 Sept 29 G Risch 29 R D Res	40 - Sept 29 By Trading A/6	100

	£132 10 - Royalties	£132 10
Dr	ROYALTIES ACCOUNT	Cr
Year 1 Apr 23 Sept 29 G Risch . Sept 29 G Risch . Year 2 War 25 Sept 29 G Risch . Sept 29 G Risch . R D Reat	f 0 a d Year t Sept 29 By Trading A/0	£62 10 £62 10

D	,	ROYALTIES ACCOUNT	Cr
Year 1 Apr 23 Sept 29 Year 2 Mar 25 Sept 29	To G Risch G Risch	f	£2 10 1 100

		 			 Cr		
Dr		ROYALTIES	Accor	TNU	 1		-
Sept 29 , Year 2 Nar 25 To	G Risch . G Risch . G Risch . G Risch . G Risch . R D Reat	40 22 10 - 22 10 - 40 22 10 - 40 1 - 42 10 - 17 10 -			 £62 100 £100	10	

Dr			GRO	UNE	RENT	·	E   1   4
Apr 23 To Sept 29 n C	Rusch . Rusch . Rusch . Rusch . Rusch . Rusch . Rusch .	•	#62 1 #62 1 #62 1 #2 1 #7 1			By Trading A/C	£100 -
Year 1			N 4 14	121	Comp 20	By Trading A/G .	0.0

Year 2 Nar 25 Sept 29	To G Risch G Risch	22 10	£100 -
D	,	GROUND RENT	Cr
Year 1 Mar 25 Sept 29	To G Risch , G Risch .	f s d Year 1 Sept 29 By Profit an	d Loss A/o 50 -

Year 2 Sept 29

By Profit and Loss A/c

€50

€30

50

£50

Year 2 Mar 25 Sept 29 To G Risch . ... G Risch

## EXERCISE XIX-No 11 (contd)

Dr	REDEEWABLE DEAD RENT	Cr
Year 1 Sept 29 To G Risch Year 2 Sept 29 To Balance b/d	L   s d.   Year 1   Sept 29   By Balance c/d   Year 2   Sept 29   By Royalt cs	17 10 d

$D_7$	CASH ACCOUNT	Cr
	Year 1 Apr Io Sept 29	G Resch 65 65
	Year 2 Ap 15 Sept 29	G Rusch 85 67 10
		£137 10

## EXERCISE XIX- No 12

- (a) A Reconciliation Statement is prepared by a cashier in order to explain the difference between the Bank Pass Book balance and his own Bank balance in the firm a Cash Book
- (b) A Lease Redemption Account is represented by the Toral amounts of equal annual instalments charged against profits to write off the existing Lease at its expiry Compound interest on wearly balances is added.
- (c) Deferred Shares are the class of shares which are considered for dividends after all other classes of shares have participated. Such shares are usually taken up by promoters of the company, sometimes by the vendors.
- taken up by promoters of the company sometimes by the vendors (d) A Rel ate Account is an account rused by bankers in connection with Discourt on discounted bills not matured

## EXERCISE XIX-No 13

- Work in Progress should be valued at the precise amount represented by-
  - (a) Materials used
  - (b) Wages paid
  - (c) Estimated loss on Plant used
  - (d) A proportion of profit on the basis of estimated cost against the contract price

## For example-

Contract Price Estimated Cost (for Contract completed)  $20 \frac{200}{15000}$ 

PROFIT £5 0

Hence if half of the expenditure on contract has been incurred then credit for  $f^2$  500 may be taken. It would be wiser to be very conservative on this matter and take credit say for  $f^2$  000 only

Work in Progress would appear as an asset in the Balance Sheet

## EXERCISE XIX-No 14.

A Cost Account is an account explanatory of the TOTAL expenditure on materials, labour, and organization incurred in arriving at a given result, such as building a house (contracts), making iron bars or steel plates (manufacturing), output of coal (mining), etc The account is prepared from various sources of information, and requires great skill on the part of a qualified person to deduce from the expenditure of a business (apart from direct expenditure) the due elements of expenditure of administration, etc. that can be fairly charged in the cost account The specimens of Cost Sheets in Chapter

XIX of Advanced Accounts are suitable examples of such accounts Note -The student must not exceed the requirements of the question, the examples given are suggested to assist examinees, and are more com-

prehensive than is asked of the candidate

Sheet

EXERCISE XIX-No 15 It is incorrect for the book keeper to the Whirlwind Automobile Co , Ltd , to charge as SALES to enstomers the 10 cars that were sent to prospective buyers The matter must be adjusted by the following Journal entires-

Sales Account To Sale or Return Account Suspense Account

To Sundry Debtors

The item 'Sale or Return Account' would be shown on the curput side of the Trading Account (being equivalent to Stock in hand at close) The item Suspense Account would appear as an asset in the Balance

To Stock 1st Inn	17 400 s d	By Sales	59 g s d £	· · ·
I urel ases	42 600	I ess Returns Inwards	362	578
Balance Gross Profit c/d	14 498	Stock 31st Dec	18 200	200
	844 44 7		844 44 3	778
To Trade Expenses Salar es	200	By Trad ng Account Interest on Investments	3 400	498
D scounts D rectors Foes Loss on Sala of Prosetments	1882			_
Depreciation Dalance Ner Profit c/d	1 401			
	868 21 3		888 21 3	868
Dr	APPROPRIATION ACCOUNT	N Account		ΰ
To D v dends Pa d D v dend (\$%, for year) Reverve Account Balance to Balance Sheet	3 542 6 200 4 000 2 435	By Balance 1st Jan Current Year # Profit	4 321 12 156	4 321 2 156
	£ 16 477		£ 10 477	41

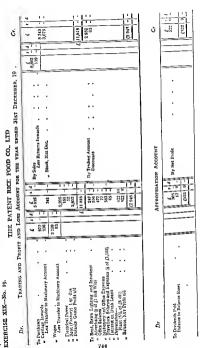
## EXERCISE XIX-No 17-

## JOURNAL

(1)	Appropriation Account To Reserve Fund Transfer of amount to raise a Reserve Fund	5,000	s	ď	£ 5 000	s	a -
(2)	Cost of Issue of Debentures W/o To Cost of Issue of Debentures For 1 of 1750 W/o for proportion of period covered by debentures	93	15		93	15	-
(3)	Appropriation Account To Marine Insurance Fund Transfer of £3,500 to Marine Insurance Fund	3 500			3,500		-
(4)	Debenture Discount Account Debenture holders To Debentures For issue of £10,000 Debentures @ 95% repayable at par 10 years hence	500 9,500		-	10,000		-
(5)	Debenture Discount W/o To Debenture Discount For to of 1500 W/o equal to period expired of hie of debentures	50		-	50	-	-
	4	18,643	15	-	18 643	15	_

## (DEBIT SIDE)

		 	,	 		
		 		В	ank	
19 .	To Debenture holders			9 500	5 -	d.



EXERCISE XIX-No 19 (confd)

THE PATINT RICT TOOD CO LTD BALANCE SHEET AS AT 31ST DECEMBER 19

Cartest and   Cartest and	, A	0 1
Charles and Italians   Course and Leaders and Leaders   Course and Lea	2 500	
Christa And Italians	'a	7
CAPITAL AND ILABILITIES   L   L   L   Transferror and Austra.	9	1 = 1
Nonmaid Capital   Nonmaid Ca	8 451 236 93	8.780 422
Normal Capital	PROPERTY AND ASSETS Extens on of Leasehold Premises Mach nery Add Transfer from Currage Transfer from Wages	Less Depresation Patent Rights Original Training Stock, Depresation of Stock Study Backers Study Backers Fedit many Paperes Adverters of Travellers Salatres etc
CAPITA, AND I LABILITIES	ā	
Nomind Capital.  Nomind Capital.  200 Chainer's States of £1 cad  200 Chainer's States of £1 cad  200 Chainer's States of £1 cad  200 Chainer's States of £1 cad  200 Chainer's States of £1 cad  200 Chainer's States of £1 cad  200 Chainer's States of £1 cad  200 Chainer's States of £10 ca  210 Chainer's States of £10	'n	
CANTAL AND LIMITIES  Nominal Capital  300 Codunty Capital  300 Codunty Capital  100 Codunty C	4	12 625 2 000 2 000 4 771 1 427 17 17 17
Nomed Capital And Capital Capi	'e !	1
CONTIA AND LIABILITIES  70000 Commerce 51 ares of 1/10 each 70000 Commerce 51 ares of 1/10 each 70000 Commerce 51 ares of 1/10 each 7000 Commerce 50 ares of 1/10 each 7000 Commerce 50 ares of 1/10 each 7000 Commerce 50 ares of 1/10 each 7000 Toundere 50 ares of 1/10 each 7000 Toundere 50 ares of 1/10 each 7000 Toundere 50 ares of 1/10 each 7000 Toundere 50 ares of 1/10 each 7000 Toundere 50 ares of 1/10 each 7000 Toundere 50 ares of 1/10 each 7000 Toundere 50 ares 7000 Toundere 50 ares 7000 Toundere 7		1 2 2
N 1	30 000 30 000 3	12 000
	ro Liabilities ry Shares of £1 each rs Si ares of £10 ea	ry Sharrs of £1 each in Urps in Urps ces Shares of £10 ea fully paid discount— chile for distribution

## EXERCISE XIX-No 20.

## VANUFACTURING AND PROFIT AND LOSS ACCOUNTS OF THE STREAMLINE ENGINEERING CO, LTD, FOR THE YEAR ENDED 31ST DECEMBER, 1937

To Stock 1st January 1937 Purchases Royaltes Wages and National Insurance Power and Light Repairs to Machinery Salaries Rent and Rates Depretation of Machinery	2799 1432 4975 3729 1943	-	4	By Sales , Stock, Stat December 1937	123 559 9 502	
"Depreciation of Loose Tools Gross Profit carried to Section II	134 -1 073 -133 961		_		(133 (6)	
To Carriage Outwards Salaries Advertising bolling Lippenes Rad Dubis Rent and Rates Discounts Printing and Stationery Office 1 spenses	1 649 5 250 1 937 4 tup 251 627 2 6_3 491 929	-		By Gross Fraid brought from Section I Appendices Fremiums	24 073 163	-
, Net Trading Profit carried to bection III	8 424 (24 Jan	_			£24 338	-
To Balance of loss brought for ward from last year interest Dividend Balance carried forward	1 157 1 750 5 163 <u>O</u> R 600	-		By het Trading Profit brought from Section 11 Dividends Recrived	8 324 276 £8,600	1:1:

TOO DOE SHATER OF ET EACH	79	Assers Mach nery at root less deprec atton	24 080 2 2	3
f) each fully paid	1	-	26 440	24 457
Sunday Creditori Wages owing Appendix Preditions 247 Appendix Machine Preditions 5 694	111		4	3 195
		Goods Stat onets Sundry Debtors Due from Supplier	47 203	9 538
	_	Cash at Bank Investments at cost		10 363

EXERCISE XIX-No, 21.

TRADING AND PROF	IT AN	1.0SS	SFFTE	ACCOUNTS C	TRADÍNG AND PROFIT AND LOSS ACCOUNTS OF A MANUTACTURER FOR THE VRARS ENDED 307H SPITEMBER 1934 AND 1935	IE VRAR	S ENDEU	30тн	
	-	1934	2	193		193		1835	-
To Electe at bendinger of stone (accesses	34	J.	34	3			-	٠,	-
athy materials		2 189 5 823		2 876	by Sales Less Raturus		20 472		1,993
Less Stocks at end of years	=	3.072		1,482			006-07	_	24 000
War en	89 c7	5 136	32	7 488			_		
I roluctive Non productive ,, Withs I xpendes	25.53 5.53 5.88	\$ 864 6.20 9 178	14.8	8 778 984 3,456					
, Total Production Cost ,, Gross Irofits carried down	59 98 30 02	13 998	12 13 13 13 13 13	18 695					
	100 00	0up 077	100 00	000'177		1	\$20 000	i	C24 000
To Office Papentes  11 Salivine  12 Selling Exponses  13 Decounts Allowed	7887	7.8	175 660 1150 285	1 584 2,784	By Gross Profit brought down Photonat Received	30 92 11 90	85 DQ4	22 0 13 0	102
" Total Distribution and Other Cost Net Profits	20 35 10 55	144	12 00	1					
	28 th	£6 184	22 23	£5,340		30 92	1814)	22 25	(3340
The cost of production in 1935	бсопраг	A Par	eales h		The cost of production in 1935 compared with color has mercanged				

\*\*\*

1811 we way to bloat out in 180 compared with alsa has marcared on every then returned in the 1 force; provide expenses. This compared is a feet to accordance to the compared to selling three or may have been caused by competition the horizont got prove a NI the selling expenses precurating the selling represent the selling expenses precurating that mercared the latter is probably the reason. If the former is the area is sent in two find appear to be a veryong polary

## EXERCISE XIX-No. 22

The Profit and Loss Account and Balance Sheet figures should be converted at a flat rate of exchange. When this has been done a tabular Profit and Loss Account can be prepared containing columns for Butwell Feet Ord, and total and a combined Balance Sheet constructed mutiting the Branch Account and Head Office Account appearing in the separate Balance Sheet of the Head Office and the branch respectively.

The accounts may be incorporated in the English books by means of the following fournal entries—

Branch Trading Account To Branch Account Commencing Stock Purchases	£ s d	£ s d
Carriage Inwards balances transferred  Branch Account The Branch Tracking Account Sales Linding Stock balances transferred		1
Branch Trading Account To Branch Profit and Loss Account gross profit transferred		
Branch Account To Branch Profit and Loss Accound Discounts on Frinchases ( bulance transferred	nt	
Branch Profit and Loss Account To Branch Account Wages Rent and Rates Discounts on Sales Had Debts Sundry Expenses balances transferred		
Branch Profit and Loss Account To Head Office Profit and Loss Account net profit of branch transferred		

## EXERCISE X X-No 23

- (a) Write off an appropriate amount for the year, and treat the remainder as an asset
  - (b) Treat as a reserve in the Balance Sheet on the habilities side
- (c) If thought fit, note on the Balance Sheet as a contingent liability but the amount should not be incorporated as an actual liability in the effective figures for agreeing the Balance Sheet
- (d) Deduct the reserves from debtors and creditors respectively in the Balance Sheet, debting and crediting the Profit and Loss Account along with the actual discounts subject of course to taking into account any reserves existing at the baginning of the year
- (e) A profit on sale of old business premises may be treated as a reserve in the Balance Sheet or taken as a profit in the Profit and Toss Account, as this possible the premises have been over-deprecated in the past, and crediting Profit and Loss Account would be correcting such excessive depreciation. The former method however is probably to be preferred.
  - (f) The same method of placing to reserve as in (e) might be adopted
- (g) Place the profit to reserve and include in the Balance Sheet on the liabilities side

EXERCISE XIX—No 24

See text book Chapter XVIII.

see text book Chapter AVIII.

EXERCISE XIX -No 25

See text book, Chapter XVII.

EARTHER AIX NO 20 TRADING AND PROFIT AND LOSS ACCOUNTS OF BROWN 31st Marc 1 1937	ROFIT AN	D LOSS A	CCOUNTS OF	UNIS OF BROWN JONES AND SMITH FOR THE VEAR ENDED FIST MARC 1 1937	SMITH FO	R THE VEAR	ENDED
	B ghton	London	Tota		B sh on	Loadon	Tota
To Stock 1st April 1936 I have Great Irosi carred to Section I	8 785 5 4 9 4	7,390 75,275 18 440	7 580 22 660 23 345	By Sa.c. Stat Mar h 1997	2.36	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	11 232 11 403
To Cene al Salar es and Wages Nanaker F. S. 229 Rent Trade and Office Renember	(21 690 1 430 400 400 400	151	612 78 6025 400 2,600 2,600	By Gress Profit brought from Sec 9 J Decounts	62 690 6 905 8 88	8 440 8 040	23 345
Insurance of Expo test Jad I bit of No of V no I lower and I live at dono it un ure and I for at Charse a several for at Charse as a several	2223	38.58	\$ 2 5 £ \$ £				
Cap ta employed Man fee A.C. anns on Net Flad by Ivolg eare of to "ee on 11 four eare of to	127	69 †	25. 27. 28. 27. 28. 27.		14 943	\$150 StJ	25 t 23
To I erret o Cap in —  Jo en  Jo en  'n th		780 468 118	3	By Nel T ad ng Profit (om Secton II.— ton II.— Ly den B anch I g! on Branch		4.473	
I rown   rown   rown   prown		828 9.7 071	3 400	interest on Cap tal emp oped at Br ghton B anch			4 386
			77.350				

7**ə**1

EXERCISE XIX-No. 26-(conid.)

			<u> </u>	-	11					ı		-+-
		_				÷	_	<u>:</u>		<u>-</u> -		
	٦		2	6,427	31.403	3,330		52		689	1,650	28,684
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EXERCISE XIX-No 27

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Dr	AUSTIN CAPITAL ACCOUNT	Cr
To Stock Bank	d 35 d By Bank Patent Fees Share of Profit	150 40 284 (474
Dr	BANK	Cr
To S arpe Cap tal Aust n Cap tal Sharpe Cap tal In ent on	3 d By Costs of Invent on Sharpe—Cap tal Account Austra—Cap al Account 1000	( 478 584 438 (1 500
Dr	INVENTION ACCOUNT	Cr
To Bank. Aust a Loss on Shares Profit Sharpe Cap tal Account Profit—Austin Cap tal Account	5 I d G A Base in Speciate Assis in Stock	f 1 000 1 000 36 2 0 000 36 2 0 000 000 000 000 000 000 000 000 00
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EXERCISE XIX-No 28

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INCOME AND EXPENDITURE ACCOUNT OF IRFEMAN GREEN & HARDY FOR THE YEAR PARM.	In Pregress, 3  In property and Statem (1) and American (	The Sulering- Than Than Than Than Than Than Than Than	. I
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o 28—(1001d) BALANCE SHIET OF PREEMIN GREEN & HARDY AS AT 31st MARCH 1938		Wo k n P ugress Typen ters Add A ld ons	Office Fu ture				
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EXERCISE XIX-No 28 -(contd) BALANCE SH	L AB LIT ES Sundry Cred ors Nent ow ng C wing for 1) pewr e		Current Acon nta- balls of 1 servet on Cup tal Shares of Profit	Less Drawings		Cap tai Acro nti	

EXERCISE XIX-No 29

The firm should record all goods sent out on approval in a Day Book which in addition to the normal ruling of a Sales Day Book, should have two additional money columns. Goods sent out on approval should be entered in the normal rulings as a memorandum, thu geods returned should be recorded in the first of the two additional columns as a memorandum, thu second being used when the goods on approval have actually become sales. This last column is the 'double entry column, and the tems in it are posted to the debit of customers at sotal being credited to Sales Account. At any time the foral of the 'total"

# The ruling of the Day Book mentioned is shown in the following illustration-

column fast the combanel totals of the last two columns equals the total of goods out on approved at veiling price. Whenever finand accounts at an or prepared that behavior is brought into the accounts as sick after reducing it to a value on the usual basis for the valuation of stock.

shown in the following diustration—

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## EXERCISE XX-No. 1.

(2) The form of Accounts as prescribed by the Life Assurance Companies Act varies from that usually employed by (1) By substituting the name ' Steadfast Assurance Co Ltd', for the name in example 5 in Advanced Accounts, pages 932 to 934, and introducing suitable amounts for items an adequate answer to the question may be constructed companies registered under the Companies Act, 1929, in the following particulars-

(a) The Revenue Account displays items in the reverse order to that usually followed, i.e. Income is debited and Fuyns" at the beginning and at the end of the year are the first (on the debit side) and last (on credit side) items in the Revenue Account, Johowing the Casif Book order of opening and closing balances. Expenditure credited (b) The various

Profit or Loss is not stated.

The "FUNDS" appear as Liabilities.

REVENUE ACCOUNT OF THE HOLDFAST ASSURANCE CO

EXERCISE XX-No 2

And management of Training Assessment FOR THE YEAR ENDED 31ST DECEMBER, 19

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EXERCISE XX-No 2 (contd.)

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Mortgages in the United Kingdom Loans on Policies ASSETS

Life Assurance Fund Claims Admitted but not paid Sundry Creditors LIABILITIES

759

BALANCE SHEET AS AT 31ST DECRMBER 19

THE HOLDFAST ASSURANCE CO

Outstanding Premium. Outstanding Interest Government Stocks

Cash at Ban

£1 651 632

Agents Balances Investments-

Br tish Railways House Property 760

A form of ruling of a Cash Book recording Receipts and Payments of a Life

		PRE	MICMS.				
Date	Particulars.	HEAD OFFICE	BRANCHES AND AGENCIES.	IVCONE O			
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## EXERCISE XX- No 4

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The Profits of a Life Assurance Co are generally ascertained by means of the Actuarial Report which takes place every EXERCISE XX-No 7 vear ξŧ

which Report 15 an obligation upon Life Assurance Companies under Section 5 of the Assurance Companies The result of the actuaries report is embodied in a Valuation Balance Sheet which is as under-1909 Act

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VALUATION BALANCE SHELT OF THE SAIT ASSURANCE CO	Cr. By Life Assurance and Annutty Funds 4 221 000 (as per Balance Sheet under Schedune 3)	
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ALANCE S	3 750 000	541 000
VALUATION B.	Dr To Nar Liability under Life Assurance and Annuty Transactions (as per Summary Statement in	Fourth Schedule (A) )

(4 321 000)

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IN RESPECT OF LIPE ASSURANCE BUSINESS

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## FOR THE YEAR ENDED 3187 DECEMBER 19 IN RESPECT OF LIFE ASSURANCE BUSINESS REVENUE ACCOUNT OF A LIFE ASSURANCE CO

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Amount of Life Assurance Pund, (899 000 - Charm Paul and Onstanding Pram.)  Special Jan. Account. (809 000 - Charmstean Politics	Amount of Life Aboutstace Fund, Prem. Jan. Account. 899 000 Prem. Jan. Account. 809 000 Prem. Jan. Account. 809 000 Prem. Jan. Special	1		_	
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Amount of Life Anverance Fund, Premium Account Initiate. Dividends, and Rents  2999  2999  2999  2999	Amount of Life Aboutance Fund, 689 600 Premi In Account, 600 600 Interest, Dividends, and Rents 70,000		78		1
Amount of Life Awarance Fund, 899 000 10 Press Account. 90 000 10 Instruct. Dividualds, and Rents 10 10 10 10 10 10 10 10 10 10 10 10 10	Amount of Life Assurance Fund, Premum Account , 600000 Interest Dividuals, and Rents	1			
Amount of Life Anvenuce Fund. Print of Man Account lattick, Dividends, and Rents	Amount of Life Assutance Fund, Premium Account. Interest. Dividuals, and Rents		809 000 60 000 30,000		000 6687
Amount of Life Aboutince Fund, Pression Account, Latrick, Dividends, and Rents	Amount of Life Assurance Fund, Prentime Account , Interest, Dividends, and Rents				
Amount of Life Assurance Fund, Prantim Account , Interest, Dividends, and Rents	Amount of Life Awarance Fund, Man Jan Account, Interest, Dyndunds, and Rents	1			_
Amount of Life Assurance Fund, The Life Associat Pretest. Dividends, and Rents	Amout of Life Assurance Fund, Print I'm Account , Interest, Dividends, and Rents				
			Amount of Life Assurance Fund, Flat Jan Premum Account , Interest, Dividends, and Rents		

The Life Assurance Fund has uncreased by £11 000, 1e (£820 000 - £809,000)

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	90 000 350 000 400,000 6,000 1,000 15,000	6862,000	1
	· ctc		
BALANCE SHEET AS AT 31ST DECRMBER, 19 ,	ASSETS JORIS ON LIVE INTERESTS REVERSIONS CEC. INVESTIGNEST DESERBATION PROGRAMMS OMERANIUM INTEREST OMERANIUM INTEREST LEAST IN BANK ANTH BANKERS		
T 31st	Mortgages Loans on I Investmen Outstandin Outstandin	_	
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## REVENUE ACCOUNT OF A LIFE ASSURANCE SOCIETY

-1	"	•	·		•	
32	,	280 000	42 000	12 500	15 000	4
FOR THE YEAR ENDED 31ST DECEMBER 19 IN RESPECT OF LIFE ASSURANCE BUSINESS		Jaims Paid	urrenders	nnuties Pad	Bonuses to Policy holders	
۳	_	=	93	_	_	
5	7	_	_	'	_	
 31sr DECEMBER	,	3 600 000	460 000	14 000	130 000	
FOR THE YEAR ENDED		mount of Assurance Fund 1st Ian	minms Account	onsideration for Annuit es Granted	Interest and Rents Received	

*	1		8 8	800 000	0000	_	=	_	492 200	26 000 ~   ~	_	26 000
280 000 42 000 12 500 15 000 37 000 3 790 500	£4 204 000			1 80	28	_	_	_	1 49	S.	vo-	-6
	2		20			-	_		-	_	-	_
31st Dec			7			190 000	_	_		_		_
Clams Pad Surrenders Amuticas Pad Bonuses to Policy bolders Commission Pad Expense of Management Amount of Assurance Fund 31st Dec		BALANCE SHEET AS AT 31ST DECEMBER 19	Assers	Mortgages with n the U K	Loans on Co s Policies etc	British Govt Securities	Ra Iway Debentures	Rent Charges		Outstanding Premiums	Outstanding Interest	Premises and Furniture
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•		BA.		-				_	-	-	-	
1st Jan Granted			_				_					
Amount of Assurance Fund 1st Jan I remuns Account Consideration for Amout es Granted Interest and Rents Received			LIADILITIES	Assurance Fund Claims Admitted (not naid)	Sundry Cre litors							

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73 956 200

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Note = £10 000 Indian and Colonial Government Securities have been deposited with the Government of South Africa in respect of Life Assurince business

D.

## EXERCISE XX-No 12

D	)r	H STEVEN	5	Cr	
1932 Jan 1	To Balance due	1 600 s d 1932	By Palicy A/c	1,500	•
D	r	POLICY ACCOU	INT	Cr	_
1932 Jan 1 Dec 31	To H Stevens	1 000 - 1 1932 1 000 - Dec 3	By Balance c/d	1,500	
1933 Jan 1 Dec 31	Balance b/d Bank	1 995 Dec 31	Balance c/d	1,150	1
1934 Jan 1 Dec 31	, Balance b/d , Bank	1 180 Dec 31	, Balance c/d	1,270	1
1935 Jan 1 Dec 31	Balance b/d Bank	1,2,6 90 - Dec 31	Balance c/d	1,960	T
1936 Jan 1 Dec 31	Balance bid Profit and Loss Aie	1 360 - 1936 446 - 1	. Bank	1,800	I
D	RESE	EVE ON POLICY	ACCOUNT	Cr	τ-
1932 Dec 31	To Balance c/d	432 4 1932 Jan. I Dec 31	By Profit and Loss Arc	193 39	4
1933 Dec 31	Balance e/d .	460 - 1933 Jan 1 Dec 30	Balance bid Profit and Loss Aic	432 28	Ι
1934 Dec 31	Balance c/d	470 a 1934 Jan. 1 Dec 34	Barance b/d Profit and Loss Art	460 10	Į
J935 Dec 31	Profit and Loss Aje Balance c/d	8 - Jan 1	Balanos b/d	470 -	Ĺ
1936		1936		101	1

## EXERCISE XX-No 13

$D_{i}$	,	Cr	
1931 Dec d1	To Cash Balance √d	1 s d 1935 26 3 7 July 1 By Balance by 26 0 9 Dec 31 Laterest	d [12] 12 6 3 - 10 4124 13 4
1936 June 30	To tash Balance o/d	f s d 1936 26 3 7 Jan 1 By Balance by 74 15 5 June 30 Interest	d 9s 9 9 2 9 3
1936 Dec 51	To Cash Balance c/d	\$\begin{array}{cccccccccccccccccccccccccccccccccccc	d 27 1 1 5 1 1 7 1 1 5 1 1 7 1 1 1 1 1 1 1
1907 June 30	Io Cash Balance c/d	26 3 7 Jan 1 By Balance by 20 10 11 Jupe 30 Interest	d 50 9 3 1 5 3 451 14 6
1937 Dec 31	To Cash .	26 3 7 July 1 By Balaget by	d 22 10 11 12 8

## EXERCISE XX-No 14

Dr	SMITH		Cr	
1934 Jan 1 To Balance b d	f 800 s d 1934 L	By Endowment Assur ance Policy Bad Debts A/o	£ 400 400 £800	4

Dr	BAD DEBTS ACCOUNT	Cr
1934 Jan 1 To Smith	400 * d June 30 By Profit and I	.055 A/c £400 s d

## EXERCISE XX\_No. 14 (contd.)

D	r ENDOV	/MEN1	LΑ	SSURA	NCE POLICY	C*	
1934 Jan I Apr I	To Smith Cash Premium on	400 ₹	1.	Inne A	By Reserve on Policy A.	( 20 430	
	Policy	£450	H	1		64×0	L
June 30 J9da	To Balance bid	4.90		1935 June 30	By Reserve on Policy A)	-	П
Apr (	, Cash Premium on Policy	50			,		
		£480	3	1935		£480	-\
1936 1936 197 J	To Balance bid Cash Premium on	479	1	June 30	By Reserve on Policy A'c Balance c/d	\$15	1
	Policy	£\$20	4			£\$20	d
une 30	To Balance b/d Reserve on Policy A/e	515 35	1	Oct 31	By Cash	1 200	-
	, Profit on Policy trans ferred to Cap A/c	650		1			1
		£1 200	-1-			₹1,200	j,

Dr  1938 Oct 31 To Endowment Assur	£ 1 200	SH	1934 Apr 1 1935 Apr 1	By Premium on Policy	Cr
			Apr 1	Premium on Policy	\$0 -

1932   To Endowment Asing   1933   To Endowment Asing   1933   To Endowment Asing   1933   To Endowment Asing   1934   To Endowment Asing   1935   To Endowment Asing   1936   To Endowment Asing	D	7	RESFI	WE C	NN 1	OLICY	ACCOUNT	C/
June 30 To Endowment Assur 1936 June 30 To Endowment Assur 2006 June 30 To Endowment Assur 2007 2007 2007 2007 2007 2007 2007 200	June 30	To		£ 20	s a	1936 Oct 31	By Endowment Assur	33
June 30 To Endowment Assur 5	June 30		ance Policy	10	П			
	june 30	To	Endowment Assur ance Policy	£3>				(35

## EXERCISE XX-No 15

ssued Cabital— 140 000 Shares of £1 each fully paid		depreciation Stock	30 000	
Reserve Forfested Shares Sundry Creditors B ils Payable Bankers of B Co npany I rofit and Loss Account	140 000 4 000 1 100 31 000 5 000 3 000 18 000	Sundry Debtors Bankers of A Company Goodwill at cost less amounts written off	24 000 80 000 13 000 39 000	
EXERCISE XX-No 16	f22° 090	D S ACCOUNT	£222 000	_

		NDLORD:	J ACC	1	Cr	-
930	To Bank .	300	1930	By Poyalites 2 800 tons at is a ton Short Work ngs	140 160	1
931	To Bank	300	1931	By Royalties 5 500 tons at is a ton Short Work nes	27a 2a	
1932	To Short Workings Bank	75 300	1937	By Royalties 7 500 tons at is a lon	\$70	П
1933	To Short Workings Bank	310	1933	By Royaltres 8 a00 tons at	420	
1934	To Bank	49-	1934	By Royalties 9 500 ions al	470	-

D	,	ROYALTIES AC	COUNT	Cr
1930	To Landierd	( s d 193)		f s d
1937		3 3 19%	:   -	373
1934		47 193	-	\$70 -

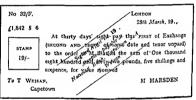
	L .		
D	,	SHORT WORKINGS ACCOUNT	Lr
930 931	To Landlord	160 s d 1942 By land-ord	6 73 d

## EXERCISE XX-No 17.

Messrs Gorgonzola & Co. of London would buy hills to the amount of 1,842 5 s 61 with the object of paying for goods purchased in Capatrom. The Capatrom creditors of Messrs. Gorgonzola may have had London creditors to whom they had given their acceptance for goods purchased and, by the intermediary of hill brokers, Messrs Gorgonzola & Co have purchased same, and so discharged their nade-betches:

A further purpose served by buying such bills would be the saving of expense and obviation of risks in sending coin

Such bills take the form of the ordinary foreign bill, of which a specimen is as below-



The above bill would be endorsed by M Marsden when sold to bill broker, and endorsed by the bill broker when purchased by Messrs Gorgonzola & Co.

## EXERCISE XX-No. 18

## B & CO'S LEDGER

1	Or JOINT A	DVENTURE WITH	n A & Co, Lagos	C1
19	To Goods A & Co s Expenses Cash Charges 293 Balance (Profit)	20 500 5 d. 15 15 15 15 15 15 15 15 15 15 15 15 15	By Sale of Native Produce	£ 5 400

Note It appears that the cost of Produce was £22,000, but post for by £20,500 inference being that the difference of £1,500 is to be regarded as trade discount

### EXERCISE XX-No 10

- (a) Goodwill would appear as an asset in the Balance Sheet Being an intangible asset care must be taken to show Goodwill at a figure agreeable to the present worth of the connection taken over or according to the present worth of that upon which Goodwill was ha-ed
- (b) Repairs Reserve would appear as a hability in the Balance Sheet The object of a Repairs Reserve is to charge an equal amount against profits each year sufficient to meet recurring expenditure on Repairs Should the surplus on Reserve be very high future provision on that head must be adjusted accordingly
- (c) DEBENTURE ISSUE EXPENSES would appear as an asset in the Balance Being an expense on the issue of debentures it would be advisable to write off such expenditure over a period of years equal to the life of
- the debentures or if debentures are irredeemable in say five years (d) PRELIMINARY EXPENSES would appear as an asset in the Balance Sheet Being expenditure on the flotation of a company such item must be
- written off over a number of years say between three to five years (e) Unclaimed Dividends would appear as a liability in the Balance Sheet
- (f) Expenditure on Leasehold Works would be transferred to Profit
  - and Loss Account It is assumed that such expense has been incurred to maintain Lease in repair according to terms of Lease
    - Should however the expense have been incurred for the improve ment of Lease the item may be capitalized
  - (e) FORFEITED SHARES ACCOUNT would appear as a hab lity in the Balance Sheet
    - The amount on this account may be absorbed when shares are re issued Further the amount may be transferred to a special Reserve Account

### EXERCISE XX-No 20 (a)

	N CO S JOURNAL						
19 Jan 5	Guarantee Commission To H Commission charged by H as guaranter of bill	£ 50	s	d	£ 50	5	d -
,, 5	Discount Account To D B Charge made for discounting bill	75	-	-	75	-	-
July 8	R To D B Adjustment between R & D B on discounted bill dishonoured	1 000	-	-	1 000		-

### EXERCISE XX-No. 20 (a) (contd)

### N CO.'S JOURNAL-(contd ).

19 July 8	Guarantee Commission To H. Commission charged by H as guarantor of bill	£ 25	5	d -	£ 25	5	d
,, 8	Discount Account To D B Charge made for discounting bill	50	-		50	-	-
Oct 11	R To D B Adjustment between R & D B on discounted bill dishonoured	1,000	-		1,000	-	-
11	Guarantee Commission To II Commission charged by II as guaranter of bill	25	-	-	25	-	-
11	Discount Account  To D B  Charge made for discounting bill	50	-	-	50	-	-
19 Jan 14	DB	2,000	-	-	2,000		-
_		€4.275	1	-	(4,275	-	_

### BILLS RECEIVABLE BOOK

Polij	Date		Acces	e ol	Tener	Due Date	Pol.	Amount	Remarks
1 2 3	19 Jan 5 July 8 Oct 11	R	:		6 mos. 3	19 July 8 Oct 11 Jan 14		1.000 1.000	Discouse ted with D B
D	7.				CAS	н вос	ж		Cr

<i>-</i>	Bank	Bank
Jon 5 To D B July 8 D B Cet 11 D B	\$25 \ \frac{1}{2} \ \frac{1}{2	£ 50 5 4 - 23 - 25 - 25 3 000

EXERCISE XX-No 20 (a) (contd)

EXERCISE AA-No	20 (a) (conta )	
Dr	R	Cr
J9 July 8 Oct 11 19 Jan 14 Cash	1 100	1 000 s d 1 000 1 000
Dr	D B	Cr
Jag To Bills Receivable Bits Receivable Bits Receivable Bits Receivable R	e   1000   Decount	\$25 5 dd 925 75 1000 950 50 50 50 50 50 50 50 50 50 50 50 50 5
Dr	н	Cr
19 4 To Cash July 8 Cash Oct 11 Cash	foo   19   19   19   19   19   19   19	anii 251-l-
Dr	BILLS RECEIVABLE ACCOUNT	Cr
lan s July 8 Oct 11 R	1 1000 1 2 2 3 2 3 2 3 2 3 2 3 2 3 2 3 2 3 2 3	1 000 1 000 1 000 2 000
$D_{r}$	DISCOUNT ACCOUNT	Cr
Jan 3 To D B July 8 D B Oct 11 D B	7.5	
Dr	GUARANTEE COMMISSION ACCOUNT	Cr
19 To H July 8 H Oct 11 , H	6   s   4   20   -   25   -	

### EXERCISE XX-No 20 (b)

EXERCISE AX-NO	20 (b)	
Dr	G C's LEDGER	Cr.
19 Dec 1 To Cash , , , , , , , , , , , , , , , , , , ,	f 1 d 19 1 Dy Shares	1,000 s d 350
Dr	SHARES ACCOUNT	Cr
19 Feb 3 ToJP	1 000 r d 19 19 19 19 19 19 19 19 19 19 19 19 19	\$ 4. Shares 100 -
Dr	CASH BOOK	Cr_
19 Feb 3 To J P	6 30 3 4 19 Dec 1 By J P	150 150
Dr	J Ps LEDGER G C	Cr
Dec 1 To Shares 18 , Cash	1 000   1   4   10   10   10   10   10	150 150 130 900 41 950
Dr	w	Cr
19 Feb 3 To Shares	1 000 5 4.	
Dr	SHARES ACCOUNT	Cr
Feb 3 To G C  " 3 " Gain on Sale of Shi " 3 " Balance c/d	19 5 6 1 By G C 19 1 By G C 19 Feb 3 , W	1,000

### EXERCISE XX-No 20 (b) (contd.)

Dr	CASH BOOK	Cr
Dec 1 To G C 19 G C 19 G C Feb 3 G C	f 50 3 d 19 19 150 150 150 150 150 150 150 150 150 150	2300 ± d 1000 =

### EXERCISE XX No 20 (c)

To Share Cap tal



1	COMPANY'S LEDGER SHARE CAPITAL ACCOUNT	Cr
19	To Forte ted Shares A c 2-0 d By D Sorte ted Shares	£375
	FORFEITED SHARES A QUIT	Cr_
19	To Share Contail Ale 19 By Share Cantail Ale	6 50

To Share Cap Balance o	(st A/c ) 1 3 7 1 1 3 7 1	By Share Cap tat A/c	£250	_	F
Dτ	D		Cr		_
	1 1 1		11 .	П	Т

By Cash

ũ	EXERCISE XX-No 21.	-No 21.						_	LEAD & HAIL LID	۵	31	3	Ξ	2	9								
- 1	Dr.	TRADI	NG A	Q	PROFIT	Y.	ĭ	255	Acc	6	Ę	FOR	F	HE	FEAR I	TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.,	IST	DEC	EMB	2R, 19	:		
ę : :	To Stock, 1st Jan		٠.	• • •		==	4	-	224		40.00		888	Sales Station Station	Sales Stationery used in Stationery in land	Sales Stationery used in Office Stationery in hand					9 00	288	m 0.1
2 2		şı c/q ,	•	٠.		_	_	_	3 504	2 2	100	_	š	å,	" Stock, 31st Dec					,	L	1	⊢
	:					_	_	7	100	-1	-!												
٠	To Travellers' Commission Travelling Proposee Rates, farce and incurance	Stort .	•	•			-		_	279 2	11	ë.	FSS	rada.	By Trading Account								_
	Less Rates and Insurance prepaid	nsurance ,	probad	•			æ	-	-	-		_	ă	ilcou.	Keen	Discount Reserve on Creditors (24", of £1,142/5:19)	tors	-	1,12,10	42/2°D)		_	
	Repairs Horsekeep	-		• •		<u> </u>	i	├—	3800	\$888 8888	4 6 64 6												
	Carriege Outwards Discounte Allowed	Loet							165		13											_	_
	Interest on Northage etc. Jaierest on Calls Paid an Advance Fanker e Charges. Statemery out of Shock	nd an Ada	BUCE						₩. e	200	0000												
	Sad Debts A44 Bad Debte accrued	panasa					2100	+1	_	20	_	_										_	_
	Discount Reserve (amount provided)  Discount Reserve on Debtors  Discount Reserve on (31% of £2,689777)	(amount in Debtors ration (31*	provide	(50)	. 6/2		i	┼~	<u>-5%</u> §	292 25	4188	_											
	Freehold Factory Machinery Engine, Boiler, and Shaftone	nd Shaftun	9			_			_		_												
	Trade Dixtures Office Furniture					_	28-	- 0	<del></del>													_	
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3,650 9,508 19,508 1,001

CAPITAL AND LIABILITIES	7	, w	42	"	4	PROFFERY AND ASSETS		350		4	71
Not state		-		÷		Loss Deprecation		99	-	7 300	
Jased Cap Lat- 30 Orderny Shrees of [7] each issued as fully nild to Ve dors		_	_	- 4		L. g.ne. Bos er and Shaft og.		117	164		
164 (Prince Shares of £7 (£5/10) per share called p)  Add Calls a Advance	6 482		3			Less Deprecant on	1	282	741	- %	
			93	-	T	Mach ery Add Add town	_	187	£		
Reserve Pund Chas, Johnson & Markyuge Su Iry Cred Lore	7.	8.	3 200	99		Las Deprecation		2.6	~6	250	-
Lets D sool 1 Reserve Interest Due to Sharebolders on Calls Pald In Advance	8	= 1	Ξ	2 ×	**	Tr de F xt ces a d Utens is  Add Add t ons		99	6		
Manager & Monus Hyd lends Due to Ord nacy Sharehol lets Let fors (I rof I silocated)			~ g n	7.96 7.96	n o	Less Deprecation		58	0.0		
Froft a 'd Lors Account— Unjanca ava Lubia for distr button			8	875 7	-	Horse and Fan	1	88	7 1	8	o
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						Stock Office Statemery S 449 Debtors Less Had D by R serve (10	0013	2 559	1 '	22.00	50
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				_		Rates and Insurance prepaid	٠.		- [	7.8	T
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EXERCISE XX-No 22 (contd.)

THE UTOPIA MOTOR WORKS LTD BAIANCE SHEET AS AT 31ST JANUARY 19

Capture and Liabilities		5 4	-	7	2	ď	PROPERTY AND ASSETS	3	- 0	32	- 45	שי
Nominal Capital—	,	_		,	_	_	Freehold Land and Buildings Less Depreciation	26 782	Т	1	_	
710 each	20 000		_		_			36 803	†	26 421		1
150 000 Ordinary Shares of	150 000				_	_	Less Depreciation	1 804	-	34 000	_	
	7200 000	Ĺ	Т		_	_	Loose Tools		i	7 285		1 3
Issued Capital-	1	Ĭ	ī			-	Goodwill		_	19 822		4
4 300 Profession Shares of		_		45 000		-	Sundry Debtors	8 700	7	7 1	_	
32 000 Ordinary Shares			_		_		ress pan pents vesetve	5	Ħ	8 352	- 2	
Vendors runy para to			_	32 000	_	-	Cash in hand and at Bank			37	-	1
22 640 Ordinary Shares 15/-	10000		-			-	Preliminary Expenses			1 460		1 1
Less Cails in Arrears	808		1		_		Prepaid Items-				_	
Repairs Equalization Reserve	2 648	ÌΤ	T	16 174	_		Itates Insurance	4.0	-	- 		
Less Repairs	2 142	ij	Ĩ	466	_	1	Profit and Loss Account		†-	6 627		1 1
Bank Loan		_	_	3 400	Т	_	(balance)				_	_
Lills Payable			-	276 11		_						
accrued)			_	956	ī	_						
		_	÷		T	1					+	1
		_	7	109 2217		1		_	_	£127 601	_	_
			_		$\vdash$	r					L	1

Dr	TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 19.		٥	č.
10 Stock, 14 April	2 s d 14,688 s - Dy Sales 71,243 - 69,570 Love Took, 314 Mar	+ 1 pr	23.995 23.995 2.730 2.730	<del></del>

BALANCE SHEET AS AT 31ST MARCH 19.. THE ENGINE & MOTOR CO. LTD

300 000

### EXERCISE XX-No 25.

$D_{r}$	STOCK C	UT ON	HIRE-F	URCHASE	Cr
194 Jen i Dec si	To Value of Stock out on Hire purchase egreements Coni of Stock sent out on Hire purchase agreements dumng, year transfer to Profit and Loss Account during the year		194 Dec 31	By Recripts from Hire purchasers during year value of Stock out or Hire purchase a and of year fresh the amount of the standard during the proportion operation in the proportion of profit in eluded therein)	

The cost of Stock out on hire is obtained from a Hire-Purchase Day Book containing a column showing the cost of each article sold on hire purchase. The receipts from the purchasers are obtained from an extra column in the Cash Book into which all such receipts are extended. The stock figures are arrived at by valuation

### EXERCISE XX-No 26

### JOURNAL

1934   Jan 22						
To Bank		Bad Debts Account To A Policy taken over in satisfaction of debt at surrender value and writing			1	s d
To Life Premium Account   Transfer of uncrease in surrender value   Profit and Loss Account   To Life Premium Account   To Dank   To Bank   18   To Bank   18   Premium paid   Policy Account   To Life Premium Account   To Life Premium Account   To Life Premium Account   To Life Premium Account   Transfer of increase in surrender value   Profit and Loss Account   To Life Premium Account   Transfer of increase in surrender value   Profit and Loss Account   2	July 1	To Bank	1	8	18	
To Life Premium Account   3   3   1936   10   1   18   18   18   18   18   18	Dec 31	To Life Premium Account Transfer of uncrease us surrender	į i	, I I . 	15	
19		To Life Premium Account		3 7	3	
To Life Premum Account   Transfer of increase in surrender value     Profit and Loss Account   To Life Premum Account   To Life Premum Account   To Life Premum Account   To Life Premum Account   To Profit and Loss Account   S70   S70   To Profit and Loss Account   229   Policy Account   Transfer of profit on policy   To Profit and Loss Account   229   Transfer of profit on policy   Transfer of prof		To Bank	1.	8   1	18	
To Life Premium Account	Dec 31	To Life Premium Account	1: 	ا	16	-
Sank		To Lafe Premium Account	'	2 -	2	-
To Profit and Loss Account Transfer of profit on policy		To Policy Account	1 530	)	530	-
£1 331   £1 331		To Profit and Loss Account	229	· -	229	-
			£1 33	1	£1 331	

### EXERCISE XX-No 27.

### PRODUCTION ACCOUNT OF A MOTOR MANUFACTURING

COMPANT FOR THE TEAR EMPED STAT DECEMBER		_	_
Materials used 325,682		5	d
Prime Cost- Factory overhead expenses Equal 20% on Wages	692,947 73,453	,-	:
Factory Cost— Establishment and general expenses 6% of Factory Cost	786,400 45,984	-	-
Total Cost	€812,384	-	Ē

### CALCULATION OF PRICE AT WHICH A MOTOR CAR SHOULD BE SOLD TO YIELD A PROFIT OF 25 PER CENT

Materials cost Wages							104 80	5	d
Add 20% of Wage	s for Fa	ctory ov	erbead	l expet	ses		184	-	-
Factory Cost Add 6% of Fact expenses	ory Co	t for e	stabhs	hment	and	general	200		L
Add 25% for profi	t						212 53	-	-
Selling price			-				£265	=	_

EXERCISE XX-No 28

RADING AND PROFIT AND LOSS ACCOUNTS OF SIGMA LIMITED FOR THE VEAR ENDED 31ST MARCH 1933 $D_T$	9	988	γçς	UNTE	Ö	SIC	ΥN	LIMITED	FOR TH	E YEAR	ENDED	M Tall	ARCII	ر د <u>19</u>
ock 1st April 1937	-	-	*	33 061 102 177 17 079	•	'H	By Sal	By Sales Stock 31st March 1938	1938				115 316	-
				(152 317	1	1						130	6152 317	П
Toe and Showroom Salaries swellers Salaries and Commission int and Kayes				3317		Ī	n D D	By Gross Profit brought from Sect on L Decount	gae from Se	1 00 100		-	17 079	
ad Debia	_			558		_								
nik Interest gal Charges and A d t Fee ndry Trade Expenses				252								_		
Vans and Car.	522													
t Trad ng Profit carried to Sect on III	L			2 208		-								1
	_	_		(17 812								_	£17 812	
red Charges in connection with Cap tall about written of Goodw II above Net Froft for the year				80 353 2 673			By Xe	By Net Trid og Profit bro ght from Section II D'y dends from Investments	it bro ght i	from Sect	Ion II		2 208	
	_	_		63 106		ſ							801 63	

EXERCISE XX-No 28 (confd),										
BALA	CE SI	HEET	OF	SIG	Y.	Ē	BALANCE SHEET OF SIGNA LIMITED, AS AT 31st MARCH 1938			
CAPITAL AND LIABILITIES			-		Г	-	Assess			!
Authorised Capital— Ordinary Shares of 10s each Oper copt Preference Shares of	•	<u>:</u>		-	in,	4	Vans and Cars 3 000 4 Additions 3 000 - 3	~	-	78
dawnd Capsar			_				Fest Sales Deprecation and Loss on Sale 1,020			
161,000 Ordinary Shares of 10s agets			_	_			- 1,330			
80 000 S per cent Preference Shares of	3, 60	_	_	Т	_	_	Fretures and Fritings , 4 500	4 670		•
Trade Crediton Greditors for Expenses Profit and Loss Account Balance	2,673	_	<del>-</del> -	90 50 2 360 108	-	_	Stock in Trade Trade Debtors Less Reserve for Bad Debts 750 -	37,001		• •
Shares for four months ended 30th beptember 1847	ģ				_	Ť.	Cash at Bank 3072 - 22 - 22	36,553	•	
				2 173			Investments Liperator Parl in advance  93 = - 1821 Charges on Capital reduction NO - Advertising—Stock of Catalogues	15,000	11	1 1
						_	Goodwill Lets we tten off	818		
			121	191 8013		1.1		2,500	1	111

### EXERCISE XX-No q

### BALANCE SHEET OF DAVIS EDWARDS & FREEMAN AS AT 31ST DECEMBER 1935

Esubstitives and Capital	D	tavt		Ed	ward	- 1	Fr	emai	-	1		
Curre i Accounts Balance 1st Jan 1945 Add Interest on Cap tal Salary Salary Salary or Drawings ( nelud ing Salary) and in terest on Drawings	677 490 975 059	_	ď	\$85 1115 912	18	9	£ 243 100 150 390 883	У	a g	ſ	5	ď
Ca; ital Accounts— Davis Edward, Freeman	£603	*	6	£202	-	3	6 000 7 000 2 000	10	3	17 000		

interest on Drawings has been carcia ated in months.

EXERCISE XX-No 30-

D	REPAIRS	AND RENEWALS RESERVE	Cr.
1937 Dec. 31	To Repairs and Renewals , Balance c/d	\$\begin{align*} \begi	A/c 150 -
1938 Dec 31	To Repairs and Renewals " Balance c/d	1 1 4 1938 43 - 1 1938 1 By Balance 207 - Dec 31 Profit and Loss 4	b/d (00 - 4.6c (230
1939 Dec 31	To Repairs and Renewals Balance old	76 - jan 1 By Balance bid 284 - Dec 31 Profit and Loss #	4 4 4 207 180 £357
1940 Dec 31	To Repairs and Renewals Salance c/d	1940 By Balance bid 1940 Profit and Loss A	281 - 4 150 -
		jan 1 By Balance bid	1 s 4
D	PROFI	T AND LOSS ACCOUNT	Cr
1937 Dec 31	To Repairs and Renewals Reserve	L s d	_
Dec 31	Repairs and Renewals Reserve	150	
1939 Dec 31	Repairs and Renewals Reserve	150	
1940 Dec 31	Repairs and Renewals	150	

EXERCISE XXI No 1

	Expected to Produce	7 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
STTIFRS	A55ET5	Property (1).  Catal Brief Stack I Brief I terre  Dea Lote (I) Dea Lot
THOS F	Lapected to Rank	2
ARS OF		7 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
STATEMENT OF AITMES OF THOS F STIFFS	רואסורוגונני	On wome (Continent IV)  Think with the second continent in the second continent IV
	Gross	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2

EXERCISE XXI-No 2.

Expected to Produce, 280 941 676 631 305 11 9 9 S • Delact for Preferential Creditors as per contra STATEMENT OF AFFAIRS OF RICHARD HUMPHREY NRT ASSETS MISSTA FOTAL Jourshold Purnsture Property (H)— Cash in hand Stock in Trade Book Dabre (f)— Good Doubtful Shop Fittings ON 31ST JANUARY, 19 693 7 8 C693 7 B Expected to Rank 9 1 12 11 32 10 Deducted as per contra Architors for Rent (F) Architors for Rates Taxes, Paysble in Iuli (G) LEABILITIES. 683 7 9 4 6738 9 Gross Labitites,

EXERCISE XXI-No 3

STATIMENT OF AFFAIRS OF JOWAS JOHNSON ON 18th MARCH 19

					ľ		Į	Ì	-		ļ	ı
Grow Liar itities		Liadiuties		Expected to Rank	T	Assert		ļ	-	Expected to Produce	age	
22 100 9 870	-11	Unsecured Gred tors (A) Pully secured Greditors (B) Value of Securit es	6870 12 107	22 (00 2 4	4,	Property (8)— Costs to band Office Position	9 200	# I		, sob	# 111	* 111
- 194 +		Surplus to course  Pactly secured Gred lors (C)  Value of Securities	2 237			Lite Pol cy to Atlas Assurance Co	8	ij.	7 1	1 4	—i_	1.1
830		Preferential Gred tors (F & C) Kents (tates Taxes, and Wages Diducted as for conics	000	280 43		Donated (1— Cook Cook (1— Doubstul	88	77	<u> </u>	3 000		
						Surphus as her contra (Sch. D)  Toral. Asserts	goet	1		2 237	- 1-	
						Deduct for Preferential Creditors us per conirs  New Assers  Deficiency (fe)			9.5	9 284	<u> </u>	11.7
(37 484	- [-			54 793					21	£ 24 793		
	ı				ľ		_					

 $\mathcal{L} \frac{9.284}{24.793}$  — 7/5) in the  $\mathcal{L}$  expose expenses of Realization are deducted

STATTMENT OF AFFAIRS OF BLACK & WHITE	ON SIST DECEMBER 19
RCISE XXI-No. 4	

Gross Lial dities	LIABILITIES		Expected to Rank	Assets	_	Expected to Produce
2 300 ===	Unscured Greditors (A) Fully scoured Creditors (B) Value of Security (Property)	2 300 2 300	- 0009	Property (H) Cash in hand Stock in Twole	2 3	
_	Surplus to confra	200	_	Book Daks (I)-		2 100
0	Partly seured Creditors (C) Value of Security (Sharet)	9 2 2 2 3		Good Deubflist Bad	00%	7 900
8	Preferential Creditors (G)— Creditors for Taxes Wages and Salaries (Geducked as the souths)	100	8	Surpha tom coults (Sch. II)	0087	8 8
				Deduct for Preferential Creditors as per confra		
ĺ		=		Denciency (K)		1,930
CB 800 - -		=	(8.2%)		_	26,250
		Ω	I ICIENCA	DELICIENCY ACCOUNT		
Caputal as C. Hack White		006 Z 905 Z	3	s d Losses by France— Losses by France— Parkers Dawing— Parkers Dawing—	-	4,500
Profits by Pradding- 1st year Deficiency as per Sta	Profit by Trading— ist year Deficiency as yer Statement of Affairs	==	-17	White Bud Dy bar Extensive Letter on Restriction-	7 8 200 5 8 20 7 8 200 7 8 200	4 BS0 700
		=		Property	_	- 000
			1000000			00000

### STATIMENT OF AFFAIRS OF THOMAS JONES

	Expected to Froduce	2	00 63
	Assgra	Propert (I)— Scalar was a second of the seco	
	Expected to Kank		£3 650
70	LABBATICS	Uncorated Continues (A = 2	
	Gross Liabilit es	3.00 8 8	(3640 -

EXERCISE XXI-No 6.

## STATEMINT OF AFFAIRS OF WINTER & CO.

	Expected to Fredner	2000 (100 kg s) (100 k
frank 19	ASSETS	Project (1)— See a fight See as Their See as Their See as Their Lead and Buildings Inch and Buildings Dood April Total Book April Total Surples as per center (%) In Debated Preference (%) In Debated P
ON JULY SEPTEMBER 19	Expected to Rank	6 4 8 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
0	_	2 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
	Loamorres	Commence Continue IA)  What a discrete (State of the Continue IA)  White of State of the Continue IA)  Profession Continue IA)  Profession Continue IA pre money  Wash and Lastrick-lasted as pre money
	Gress	2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

£01

EXERCISE XXI-No 8.

TACKSON
CHARLES
AFFAIRS OF
STATIMENT OF

	1 28	-	1601	÷	+++	÷	6	_'_		41	100	710	1
	1,00	1				_	566 12 3	118 10	8		φ:	12	ļ
	Expected to Produce.	-	50	275	588	=	999	118	8	258	1,302	£1,215 11 7	l
				7 [		_		· 60	1 6	1	<del>-</del> -	1,441	_
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	1	1	• •							٠.	Torat Assert	NET ASSETS	
	ASSETS	1	ş				TOTAL.			-	13	Ē	
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			٠,		-	g				Dá	ē		
	1	13	and Fad		- 4	5	Ţ			36	륉		
	1	1 5	200	1	200		#	3		E .	8		
		1 64	Cash at Bank Cash in bands of Solicitor Stock in Trade	Buenther	Pittings	1	ă.	Doubtful.		23	9		
		Froperty (H)—Cash in hand	OOR	ā	a.z.c	,	Book Debts (I)-	320		Bills of Exchange (I) Surplus as for contra (Sch B)	Doduct for Preferential Creditors as per contra		
	_	75		-	-1	-	_	-	å	_		61	١
	충설	41	=	_			_	_	9	_		Ξ1.	
	Expected to Rank	733		200	8				162			21,215 11 7	ı
	<u> </u>				-		17	_		_	_	<u>51</u>	ŀ
		* 1	∺	Ľ	+	10	1 1 9	1 3	-	_	_		1
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		ì			Contingent or Other Liabilities (E)								ı
		-1	ê		Ithe	•		Deducted as per contra .	•				ı
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	LIABILITIES	dite.	Surplus to contra	Sills	25		6	ž.					l
	3	200	3	o .	Ē	-	<u>.</u>	8				- 1	l
	,	250	les .	dat	80	2	ē	icte	3			1.1	l
		age d	ğ	ğ	a la	Rates	Mages Tax (G)	Ź	5			- 4	l
	1 1	Unsecured Graditors (A) Fully secured Graditors (B) Value of Secured Contract		Accommodation Bills (D)	100	[문	ŠŠ	-	SURPLUS (h)				ł
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	.3	45		÷	72	-	_	_		_	1	1	i
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				8	02								

## STATEMENT OF AFFAIRS OF FRFD JACKSON

Lisbil tes	LIABILITIES		Laported to Rank	Assers	-	to Produce	duce
7 067 st	Linke ired Cro I tors (A) Lully is, a red Creditors (B) Value of Secur t es	\$ 200 \$ 200 8 200	15 290 s d	Property (II)— Cash in hand Stock a Trade	5 000 2	, 00g	
9 400	Fortly secured Cre inters	4 40B	90	Fixed Mant and Machinery Howehold Furn ture etc 600 Shrees, a Cooper & Co. Lid	000	33.00	
8	Preferential Cred tors— Reat (1) deducted as per contra	8		(by pare up queres is 12/0)  Dook Dets (D—  Good	9999	\$ 148	+
_			=	Doubtfut	280	ī.	=
=		_			61230	720	
_				Toral Assers Desired for Preferent al Croditors as per contra		11 395	_
			=	Deficiency (R)		5 020	
1 24 813	• [	7	- 061.91 7			06C 91	Ľ

EXERCISE XXI-No 9 (contd.)

4

3 935 13 905 1,670 1004 111 3000

5000

800

Brd Debts
Provate and Household Debts
Lethward Loster on Reduction—
Leachold
Flant
Stock
Stock

22 380

804

### Deficiency as per Statement of Adams

### Capital at Commencement Tracking Profits— 1st year

Trading L sus-

\$ 000

Fred Jackson s D 1st Year 2nd Year 3rd Year

DEFICIENCY ACCOUNT

Exp cted to 1 to luce \* 1 200 +18++ 8748 3,78 19 495 23 360 0000 200 85 278 30 35 2 1 308 18 48 £304 w d Boot Debts at f ar Stat ons on Coast t Stean rs a d Dehed for Preferential C. ditors a p v to tra STATEMENT OF AFFAIRS OF A LIVERPOOL MFRCHANT NET ASSECTS four St to Buildags I Caryngter ft Dock Deb 1 ( 11 4 la 1) (1) burp at 12 per co lea (Sch Ba ASSETS Office Par iture Defe of (R) Stock 323 Expected to Rank 9 5 8 8 8 8 8 8 19 599 49 49 . 12 97 18 0.08 18.5 235 2630 2630 278 832 6 Inter Upl Cre liture & duried as per (C) Parties or the tors (C) U secure (Cre I tors (A I 19 secure (Credit is (B) V us of S curity 1 IND C TI 4 Livilly o BlisDs Surplus to contra 28,535 Liabities 0.1100 22 37 C97 S R73

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	۷,	-	22,500			1	000	58,769	
		111	Ĺ.					~	
i	*		L	_ '		$\equiv$	<u> </u>	_	
	y, 6	1 031		106	13 224	88			_
PIFICIENCY ACCOUNT	Frading Loses-	4th year 5th year	Drawings at 74,500 p.s. for 5 years	Litimated Losses on Realization—Stock Liverpool	Stock, and Book Debts at four Stations on the Coast	Turniture	Liability on Bills Discounted		_
Š	10		1			_		÷	
<u> </u>				_			_		Ļ
TIL	42 000	200	37(%)					58 769	L
-	<i>'8</i>	- 1					_	3	
	17		=	_	_	_		_	_
	3	7 000 6 000				_		_	_
	Capital at Commencement		Deficiency as pur Statement of Affairs						

STATEMENT OF AFFAIRS OF THE SANDY FREEHOLD LAND SOCIETY EXERCISE XXI-No 11

	Lapected to Produce	1   1   1   1   1   1   1   1   1   1
ту, 19 .	A55175	Popper (R)— Can to Gode Can to Gode Can to Gode Can to Gode Can to Gode Can to Gode Can to Gode Con to
оч 9тн Јшт, 19 .	Expected to ) ank	000,000.7
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		ducted
	Lianutties	Chosenard Cree (cv. (cv. (cv. (cv. (cv. (cv. (cv. (cv.
	Cress Liability	

EXERCISE	EXERCISE XXI-No 12. STATI	MENT OF	OF AFFAIRS OF ON 10th October	STATTWENT OF AFFARS OF WILLIAM CORBY ON 10th October 19		
Gross	LAstares		Expected to Rank	Assens		Expected to Produce,
9 448 5 4	Unecount Creation (A)— Trade Accounts (A)— Trade Advances Pully secured Greation (B) Pully secured Greation (B)	5,308 - 5,308 - 1,470 - 1,470	2 48	4	p : 7	1,988 1,900 1,111 1,900 1,111
10,134	Surplus to contra Partly secured Creditors (L) Value of beautities Priferation Creditors— Non UE)	25 10 134 7 450	2674	Investments Unimmbed Contracts  Book Defet (I)— Torat  Good Bd	603	3,000 8 230 4 88.3
	Wager (5) Deducted as per corten	8 88	9	Surplus as per confre (Sch. (B)		5   85 1   1   1
(21,167	111	9	0,12 162	Definency (K)		3 118
		DIC	CIENCY	DEFICIENCY ACCOUNT		
Cuprtal at con Deficiency as	Ceptal at commencement of Affairs		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Totaling Later   Later   Parking Later   Parking Later   Parking		274 740 740 750 200 1,380
		111	The Land		_	

# STATEMENT OF AFFAIRS OF JONES & CO on 31st December 19

		Ì	ľ		_		L	l	
Gross Llat littes	Lia i 128		Expected to Ra k	ASSTIS			Expected to 1 roduce	Ince	
2 080 2 080 800 800 17 089	Descent Cort from (A) Lita's a Co' of cost (B)	8 000 6 000 2 000 3 000	15 050 15 050 280 280 280 280 280	Control 1800- Control 1800- State of Texts Land and Text three Land and Text three Control 1800- Control 1800- Control 1800- Control 1800- Control 1800- Control 1800- Control 1800- Control 1800- Control 1800- Control 1800-	10 100 12 500 8 500 8 650	-       -   -	\$ 000 \$ 000 \$ 000 \$ 000 \$ 000 18 502 7 863 178 26 540 26 540 26 540 26 540 26 540 26 540 26 540 26 540 26 540 26 540 26 540 27 5		
		DEL	ICITNCY	DEFICITNCY ACCOUNT					
Spiral at Col monocoment Totaling Prili- Tall year Tall year And year Sib year Sib year	Parks 11.00 monocents 1 11.1 For 11.00 monocents 1 12.1 For 11.00 monocents 1 13.1 For 11.00 monocents	1 (V2 - 2,000 1 (V2 - 3,000 3 (V) - 3,587 2 3 3 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	73	Draw sept (1970) p.a. ter 5 yearst Bypert I year Orbents and Experimental Expert I year Orbents and Experimental Experts and hands of consistent Stocks of Tree Stocks of Tree Hands yearst that the Hands and I had by	12 100 2 100 3 000 3 000		4 4 500 4 772 1 500 24 280	-	
						*	3		

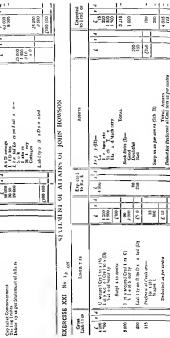
### STAFEMENT OF AFFAIRS OF "A"

	Lxperted to Produce	=	88		-	1 9	T	- 0	_	- 0	11	111	111		ì
	7,2		30 900	2,5,5	12,000	3 000	61,500	20,000		2,000	70	95 900	19 600	£102 300	1
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	Assars	i	_	•			TOTAL		•		4	報	5		
	¥		3		٠		۵				8	- 22	z,		
		Property (II)	10 0	_							Bulls of Exchange (I) Surplus as per contra (Sch. D)	Torat. Assers Daind for Preferential Creditors as for contra			
		1	# H	Vatures	^		Book Dabes (Ti-	; -	_		Age of	Prefe	g		
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DEFICIENCY ACCOUNT

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STATEMENT OF AFFAIRS OF JOHN MASON

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on 31st	Liantities	- Drawened Creditors (A)- 2.00 2.00	Fully secured Creditors (B) 354,3 15	and and	956	Partly secured Creditors (C)	- Preferential Creditors (F & G) - Kent Rates 1 about and Warnes	300			
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EXERCISE XXI-No 17

JONES
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OF
ALFAIRS
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STATEMENT

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Liamitrius Expected to Expected	) ps 7 -(v)	_	24 (J) —		Surplus to contra	Ľ	Preferential Certainer		Deducted as per course			£7.465
Liamintina	Unsecured Creditions (A)-	1 200	6			900	l					
	9 9 5 7	1 200	6			900	l					

## STATEMENT OF AFFAIRS OF "A"

ON 15TH OCTOBER 10

EXERCISE XXI-No 19

# STATEMENT OF APPAIRS OF CATCHEM & CHFETAM

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on 31st December 19	Assets	Property (B1)—	Stocks and Work n Progress	Consignments	Parn ture and Fittings	Book Debts (I)-	Doubeful	4	Surplus as per cortes (Sch B)	Torat Assers Dailed for Preferent af Cred tors as per contra	Deficiency (K) Net Assets		
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### EXERCISE XXI-No 19 (contd.) Capet

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LIABILITIES

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TATEMENT OF AFFAIRS OF A" ON 30th June 19	FFATRS OF NE 19	ν.,		
Expected to Rank		Assers		to P
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6	ASSETS	Property (H)— Cash in hand Stock in Frade	Fixtures and Fitt ngs
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9	6 600	120

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Book Debts (I)— Good Doubtful Bad

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	ų,	909	120

2 200

Unsecured Creditors (A)
Fully seared Creditors (B)
Value of Security (Property)

29 km - - C

Surplus to confre





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Surplus as per contra (Sch. B)

940

Preferential Cretitors
Rates and Taxes (G) Deducted as percontra

Llab lity on B lls D too inted Partly secured Gred tota (C) Value of Securit es

1 500 \$ 5 000





NET ASSETS

Deficiency (K)

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DFFICIENCY ACCOUNT

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Deficiency as per Statement of Affairs Capital at Commencement Trading Profits—

Ist year 2nd year

Drawings (f3 600 p a for 21 years)

Expenses Extraoged Lorses on Rentantion-

Stock Property

Liab hty on B Hs Drscounted

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STATEMENT OF AFFAIRS OF ALFRED SYKES

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ğ	ļ	Property (11)— Cash to hand Cash at Bank	S 44	Α.	Book Debts (h-	000		Surplus as per contra (Sch. B)	ğ	Deficiency (IG)	
ON 31ST DECEMBER, 19		71	_	T				_		7	П
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	j j			Lability on Bills Discounted (D)		per .					
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		8 # 3	Surplus to control  tily secured Credi	III	į,	Sec.					1.9
ĺ		Unsecured Creditors (A) Fully secured Creditors (B) Value of Security	Surplus to contra Partly secured Creditors (C) Value of Security		å,	Wakes and Taxes Deducted as per-					1
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EXERCISE XXI-No 21 (contd.)

### 4 900 6 394 Draw ags (£6 200 p a for 5 years) Bad Debts betimefed Lettes on Realizat on-Stock. He z. an Assets see above) J. Miures, Host etc. Trad ng Lotten-3rd yea 4th year DEFICIFICY ACCOUNT 61 960 13 4 -00 13 200 : 288 Deficiency as per State nent of Alla . Capital of Commencement Treduce Profits— 1st year 2 d year 3rd year

519

EXERCISE XXI-No 22.

# STATUMENT OF AFFAIRS OF NATHAN THORPE

Pxpected to I rod icc . 8 (00 27 9-5 706 5 022 600 250 999 900 27 00 14 700 14 000 88 009 13 Total Asserts
Dotted for Preferential Craditors as per corles STATEMENT OF AFIAIRS OF JOHNSON & CALFY NET ASSETS Bulls I econolite (3) Surplus 18 per outra (Sch. B) ASSETS TOTAL Bank Deles (I)— Cond Doubtful Bad I roberty (II) Deficiency (K) DEFICIENCY ACCOUNT on 31st December 19 Cash Shires Property 15 900 --Expected to Rank 72 000 27 \* 8 000 3 000 17 500 250 In frenchaf Cerditon (c)Sages Sal corn a d T ner deducted Partly secured Cred tors (C) Volus of Securities Unsecured Cred tors (A) I ally secure I Creditors (B) Vai as of Securities I tablerying Surplus to so the EXERCISE XXI-No 23 Labilit es Lots 235 14081 23 900 320 53

	10 100 - 1400 - 1 400
14 (1) (1) (2) (2) (2) (3) (3) (4) (4) (4) (5) (5) (5) (5) (5) (5) (5) (5) (5) (5	Bad Debts Truck I Nyes Set I Truck I Nyes Set I stimental Lorser on Renbanton— I noperty
t philat Comus nement chickens as condency as per Malement of Allams .	

### EXERCISE XXI-No 24.

### ROBINSON BROS' BALANCE SHEET

### AS AT 3ED APRIL 19.

Liabrillies Cash Creditors Trade Creditors Creditors	£	26,092 31,280 2,128	5	<i>a</i>	ASSETS  Cash Bank Debtors Stock Fixtures Life Policies Properties Partners Overdre Alfred Benjamin Charles	12 885 2 262 1,182	843 1,050 2,973 30,155 1,400 2,353 14,395 6,329 59,500	\$	2
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### ALFRED ROBINSON'S BALANCE SHEET

AS AT 3RD APRIL, 19 .

LIABILITIES Cash Creditors Tradesmen Amount due to Partner ship	2 578 - Household Furniture 697 - Other Effects 2 885 Deficiency .	1,000 3,000 2,160	4
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### Notes -

- (a) It has been assumed that the Securities held by the Fully-secured Creditors, i.e. the amount of £14 395 would be represented by Property of the firm
- (b) The item "Other Effects" represents the "Securities" held by the
- (c) The 'Securities' have been assumed not to have represented the actual taking over of assets at time of making Balance Sheets.

### EXERCISE XXI-No 24 (contd)

### BENJAMIN ROBINSON'S BALANCE SHEET AS AT 3RD APRIL 19

LIABILITIES Tradesmen Amount due to Partner	f 119	s	ď	Assers Household Furniture Deficiency	1 000 1 381	s	d -
ship	2 262	-	-	Denoted	1 001		
	£2 381		_		£2 381	_	Ξ

### CHARLES ROBINSON'S BALANCE SHEET AS AT 3RD APRIL 19

LIABILITIES Cash Creditors Tradesmen Amount due to Partner ship	£10 s d - 1 182 £1 882	Assers Household Furniture Reversionary Interest (under Will of J Smith) Deficiency	f 500 200 1 182 £1 882	1 116	ď
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### STATFMENT OF AFFAIRS OF ALFRED ROBINSON on 3rd April 19

LIABILITIES Unsecured Creditors (A) Fully secured Creditors (B) £2 578 Value of Security 3 000 Surplus to contra 422	£ 5 4	ASSETS Property (H)— Household Furniture Surplus as per contra (Sch. B)	£ 1 000 422	\$	ď
SURFLUS to Partnership	725 - £1 422		£1 422	-	_

### EXERCISE XXI-No 24 (conff)

### STATEMENT OF AFFAIRS OF BENJAMIN ROBINSON

### ON 3RD APRIL, 19

LIABILITIES Unsecured Creditors (A)	119 5 4	Assets Properly (H)—	É	s	d
SURPLUS to Partnership	881	Household Furniture	1,000	-	-
	1 000		£1 000	_	_

### STATEMENT OF AFFAIRS OF CHARLES ROBINSON

### ON 3RD APRIL, 19

LIABILITIES Unsecured Creditors (A)	£700	Assers Property (H) — Household Furniture . Reversionary Interest (under Will of J Smith)	£500	700 £700	5	a
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STATUMENT OF AFFAIRS OF ROBINSON BROS EXERCISE XXI-No 24 cout)

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	Linostaties	Unvectored Gred tors (A) hally secured Greditors (B) Value of Socienties	Surplus to confes	sartly secured Creditors (C) Value of Secur ties	Liabilities on Bills D sounted (D)	Preferential Cre liters deducted as per				
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	Gross Liabilites	712		***		20	_		2	-
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STATUTINE OF AFFAIRS OF WOOD & SMITH

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UARY, 19		Property (II)— Calls in Build Stock at Bank Stock at Call Stock at Call France ecc Good Denkini in Property Dankini in Property Definency (10)
ON 1ST LEBRUARY, 19	Laprete I	7 000 47 1 000 47 2 1 1 2
ò		3 21 000 2 000 4 0
	Liabilities	Outriend Creditor (A)—  The Common (A)—  The Common (A)—  The Common (A)—  The Second Code (A)  The Common (A)  The Common (A)  The Code (A)
	Gross Last differs	4 600 2 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8

EXERCISE XXI-No 26	TRUSTEFS FINA!	i.	IV.	7	STATEMENT OF ACCOUNT			1
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To Total Receipts from Date of Receiving Order— Cash Stock	900				19 1 114 tes 1 Remuneration— 7 114 tes 1 Remuneration— 7 00 1/1 530 assets realized 5 00 1/1 285 assets d stributed 5 5 0 00 1/1 285 assets d stributed	140 15	15	
l'ittings Property Sundry Del tory Surplus from As estate	23,58		9		Creditors viz — 100 I referential Creditors 1125 Sundry Creditors 1125 (Comment on of 12(6 in f)			
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S EXERCISE XXI—No 27	TRUST	£	INA	ST	TRUSTIFFS THAL STATI NI NT OF ACCOUNT			- 1
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Investments Life P lienes Sundry Debtors	2 135	, <u>=</u>			na £ on	1 660	·	0
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Refund of Cost of Petition (5 Redemption of Policies 375/16/6	340 16	9						
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TRUSTITS ITMAL STATINENT OF ACCOUNT	By Payments— (cast of Petition Auctioneer & Costs Shorthand Tees Board of Freid Expenses Notice in Gazelle.	Trustees Remuneration-	5% of (6 850 assets realized .	(Difference) 3% of £6 007/5/8	and (662/10) Assets distributable	Unsecured Creditors (Composition of 6/4 in £ of £18 000)	
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TRUST	1 250 700 3 000	2 100 1 100	15 500		8 650		
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	Date				31		
	from	tors		ewellers			
	To Total Receipts from Date of Receipts Order— Stock Stock I writter Burklings Total Dukklings	Sundry Debtors	Lore	Redemption of Jewellery Morigage	radii g .		
	9.		628				

### EXERCISE XXI No 20

### JOURNAL

19 ] \n	1	Dodd To Loose Plant Sale of horses	£ 500	s	d	£ 500	s	đ
,	1	Cash Bills Receivable To Dodd Receipt of £100 in each and four acceptances each of the value of £100 for periods of 1 2 3 4 mos teener text.	100 400			500		-
"	3	Bank Discount To Bills Receivable Acceptances due 4th Feb. and 4th Mar. discounted	19a 5			200		
	31	Dodd To Bani (For his request for non presentment of bill due 4th Feb.)	100	-	d	100		-
Apr	٥	Bank To Bills Receivable Doils bil iona rei	100			100		-
•	6	Dodd To B its Receivab e For cancellation of bill due 4th May	100	-	1	100		-
"	6	Bank To Dodd Settlement of Dodd's Account	200			200		-
May	1	Hank Tr Brad'er Account Dividend of 6 5 in the freewed	2	15		2	17	-

EXERCISE XXI-No. 29 (contd)

IOURNAL-(contd)

		JOURNAL-(contd)						
19 May	1	Bad Debts Account To Bradley Balance of Bradley's A/c irrecoverable	£ 7	s S	d	£	s	d
"	2	Bank To Bad Debts Recovered Sum received from James, whose account had been written off as bad	5	-	-	5		-
**	3	Earle & Co To Sales Goods consigned to Earle & Co	100			100	ĺ	-
"	4	Joint Account To French Tea purchased on Joint A/c with Brockle	500	ŀ		500		-
**	5	Bank To Brockle .  Receipt of Brockle's half of cost of tea purchased in venture	250			250		-
**	6	Bank To Joint Account Sale for cash of tea on venture	700	1	-	700	-	-
	7	Joint Account To Commission etc Commission and expenses of sale of tea on venture	18	6	-	18	6	-
n	7	Joint Account To Brockle Transfer of share of gain on venture	90	17		90	17	-
"	7	Brockle To Cash Payment of amount due to Brockle	340	17		340	17	-
			£3 715		-	3 715	_	_
	Dr	JOINT ACCOUNT			_	C <sub>T</sub>		_
19	Τ	£ 1 1 19				1 £	15	4

í	)r		JOINT ACCOUNT				Cr				_	
19 8'01 4 11 7	To	French Compussion, etc. (Expendes)	906 F	6	4	19 May 6	By Cash			<u>/</u> 700	5	ı
7	.	Brockle	90	17	1						Н	
- 7	-	(4 share of Profit) Profit and Loss A/c	£700	17	H				1	700	H	3

### EXERCISE XXI-No 20 (contd.)

Dr	DODD	Cr
Jan 1 To Loose Plant Bank Apr 6 B is Receivable	f   19   19   100   10	£ 5 6 400 100 200 -

Note —The account of  $\mathbf{Dodd}$  has been shown to add clearness to the solution

### EXERCISE XXI--No -o

An Accommodation Bill is a Bill of Exchange given by one person to another for the mutual benefit of both parties or for the benefit of either party. It is distinguished from an ordinary B E as no value is given for it

IONES TOURNAL

	jo tas jook tite						
19 Jan 1	Jas Smith To Bills Payable For bill of £1 000 for 3 mos drawn for their mutual accommodation	1 000	s	d	€ 1 000	3	đ
,, 1	Bank Discount To Jas Smith For share of proceeds of bill and discount charges	495 5	1	1	500		-
Mar 31	Bills Receivable To Jas Smith For B/E to provide funds to meet bill of £1 000 for 3 mos	1 100			1 100		-
, 31	Bank Discount To Bills Receivable	1 090		1	1 100		-
31	Jas Smith To Cash	44		Į	44		-
June 29	Jas Smith To Bills Receivable For bill dishonoured by Jas Smith becoming bankrupt	1 100			1 100		-
Dec 31	Cash Had Debts Account To Jas Smith For composition of 10/- in £ on balance of £544 and balance written off as being irrecoverable	272 272	-	-	544		-
	on 25 being meeticable	15 394		-	/s 358	П	-

## EXERCISE XXI-No 31.

 (a) Capital Expenditure relates to outlay on acquiring assets for the purpose of earning income whereas Revenue Expenditure contists of current expenditure incurred in running a business

The amount of £250 12s 8d must be regarded as Revenue Expenditure for the following reasons-

(i) Dipitate parts are ni the nature of 'replacements (ii) The congraid plats would have been cartemed at a perce melissure of its delicate parts, and any duplicate parts would be charged to revenue, as replacements only tend to keep plant at first cost—and are expenses of upkeep. (b) See Advanced Accounts, page 152 (under 'Secret Reserves'')

EXERCISE XXI-No. 32

å 83.

TOILET REQUISITES CO. PROFIT AND LOSS ACCOUNT

Potal

Scent Dept Soap Dept (8 tently) 17.426

By Trading Accounts

43 140

26 480

Depreciation, etc. Manager s Commission Balance Net Profit

General Expenses To Advertiseng

Total ť

Scent Dept (4 tenths)

Son Dept

EXERCISE XXI-No 33

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	Discount	<b>~</b> 2	oc	*		2	623 18	
	Particulars	1 *		16 I Ernest 17 I etty Cash 18 Drawings	= E-	25 1 Franklin		
	Date	6 5						

Note -- See Advanced Accounts Chapter IX for pro forms examples of Adjustment Accounts

Ò	Pr Cash  This control of the state of the st	0	December   December	Core on Partition Assessment Assessment
REALIZATION ACCOUNT	18,000 s d 19 Pay	CASH ACCOUNT	ν το του ο το το το το το το το το το το το το τ	Brown receives (9 000 - (Capital Balance (15 000 - Share of Loss on Real articles Annual 10 000)
D.	19 To Sundry Assets	4 <i>Q</i>	fo Kealizauon A/o.	Note - Brown receives £9 000 -

854

EXERCISE XXI---No. 34

### EXERCISE XXI-No 35

### JOURNAL OF FREESTONE & CO LTD

Depreciation Account To Plant Account 10% of £80 000	B 000	s	ď	£ 8 000	s	d -
Profit and Loss Account To Depreciation Balance transferred	\$ 000	1	-	8 000		
Debenture Interest To Debenture holders Income Tax Half year's Debenture Interest pro- vided 5% of 4,30 000 for 6 mos- less tax @ 10/-	750			375 375		-
Profit and Loss Account To Debenture Interest Balance transferred	750		-	750		}
	17 500		Ξ	17 500		
Ordinary Share Dividend To Ordinary Shareholders Income Tax Dividend provided @ 10% less In come Tax @ 10/-	7 000	-	-	3 500 3 500		-
Profit and Loss Account To Appropriation Account Balance transferred	11 250	-	-	11 250		-
Appropriation Account To Ordinary Share Dividend Balance transferred	7 000	-	-	7 000		
	25 250		3	25 250	_	_
	To Plant Account 10% of 180 000  Profit and Lors Account To Deptention Bilance transferred  Debenture Interest To Debenture Indicate Half year a Debenture Interest provided \$5,0 of 30 000 for 6 mos less tax @ 10/- Profit and Lors Account To Debenture Interest Balance transferred  Ordinary Share Dividend To Ordinary Shareholders Income Tax Dividend provided @ 10% less In come Tax @ 10/- Profit and Lors Account To Appropriation Account Balance transferred  Appropriation Account To Appropriation Account Dalance transferred	To Plant Account 10% of 180 000  Profit and Loss Account To Depresention Balance transferred  Debenture Interest To Debenture holders To Debenture holders To Debenture holders Half and Loss Account To Debenture holders Half and Loss Account To Debenture Enterest Balance transferred  Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend To Ordinary Shart Dividend Appropriation Account To Appropriation Account To Ordinary Share Dividend Balance transferred  Appropriation Account To Ordinary Share Dividend Balance transferred	Depreciation Account 10% of 180 000 To Plant Account 10% of 180 000 To Depreciation Balance transferred  Debenture Interest To Debenture Indicate Half come Tax Half come Tax Half come Tax Half come Tax Half come Tax Half come Tax Half come Tax Half come Tax Half come Tax Half come Tax Half come Tax To Debenture Interest Half come Tax Balance transferred  Ordinary Share Dividend To Ordinary Shareholders Income Tax I	To Plant Account 10% of 180 000  Profit and Lors Account Bialance transferred  Debenture Interest To Debenture holders To Debenture holders To Debenture holders Hall more Tabelantine Interest pro vided 25 bit 450 000 10 f 6 mos less tax @ 10/-  Profit and Lors Account To Debenture Interest Balance transferred  Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend To Ordinary Share Dividend Balance transferred  Appropriation Account To Appropriation Account Balance transferred  7 000 - To Debenture To	Depreciation Account	Depreciation Account   10% of f80 000   8 000   8 000   10% of f80 000   8 000   8 000   7 000   10% of f80 000   8

### (CREDIT SIDE)

		В	ank	
19	By Ordinary Shareholders	3 500	s	d

EXERCISE XXI-No 36.

	61
BLACK KELLY & CO LTD.	

5 4

Freehold Land and Buildings Plant (including Additions) PROPERTY AND ASSETS

100,000

Nominal Capital

1,635 0,215 (84,900

Profit& Loss Appropriation A/c

Amount to date.

Unexpired Amounts Bank (Dividends 4, Bank (Current A/c)

Cash T 19 900 10,000 500 4 500 (84 900

2000 2000 2000

each (2 called up Less Unpaid Calls Mortgage Debentures Reserve A/c Sundry Greditors

1,500

(Dividends 4/c)

Sundry Debtors Bills Receivable Stock

50 000

Issued Capital—50 000 6% Cumulative Pro-ference Shares fully paid 10,000 Ordinary Shares of £5 CAPITAL AND LIABILITIES

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REVENUE ACCOUNT FOR THE YEAR ENDED 3151 DECEMBER 19	Dy Sales feet 1 and Lescold Loss feet 2 and Lescold Advert squares 1 proposite 2 Stocker 1 proposite 4 Drawlet de Drawlet	
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REVENUE	1 School, M. J. n. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	

THE IDEAL NEWSPAPTR CO LTD.

DALANCE SHEET AS AT 31ST DECRMBER 19.,

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		000 0012	+	_	_	=	Dant and Machinery Add Additions	9 400		22,72	-	
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21 410 \* 37 800 3 854 41 711 21 435 0.500 ò ů 23 655 TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19 THE SYLHET IT'S PLANTATIONS ITD By B lance is Jan Current Ye r's Profit Trading Account By S let of 1ea Stock 3ist Dro APPROPRIATION ACCOUNT £ 5 4 250202020 8 100 3 000 10 acc 1 200 133 11 100 21 440 21 655 7 4 400 irretors Fees on ion Office Account (Sala 18 and Expenses) Mactinery and thant (10% of £3 700) ad Det ta Reserve (04, of £8 409 EXERCISE XXI-No 38 Alruita Agency I xpeniles Cron Expenses Maj ut other g Expenses Balls on Gross Frofit c/d Balance to B lance 5 eet Ma ager 5 Co nmission Te Rent and Rates Mach nery Repairs losp tal Experses farine Ins 171 co To Boxes Purchased Reserve Account reught C 1 r cs ire It surfa Ch Aul tors he Jeprecials 11-To Div dend 11 J aw Charges Suronean B ages Sative å

	THE SYLHET TEA PLANTATIONS LTD.	9
GYBREISH XXI-No 38 (contd.)		

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	BALANCE SHEET AS AT 31ST DECEMBER 19 .	B Accepte
(could)		
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No.		١
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WERCISE XXI-No 38 (contd.)		

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}	
A PLANTATIONS LTD. AT 31ST DECEMBER 19 .	PROFISIT AND ASSPTS Plantations that buildings (Land and Buildings) Machinesy and Plant

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7,980 3 330

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Sundry Debtory Less Bad 19kbts Reservo

162 000

16,200 Onlinary Shares of £10 Nominal Capital Shires of £10 CAPITAL AND I IABICILIES

Issued Capital-

each

each, fully grad
Reserve Account
Add Transfer from Profit

Profit and Loss Account-

Balance available Bank Overdraft Bills Payable Sundry Creditors

tribution .

Cast in hand Stock

> 8 000 1 870 8 013 8 851

3 000

Less Depreciation

000 0027

BHZ 19613

6199 288 10,555

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EXERCISE XXI-No 39 THF EXCELSIOR MANUFACTURING AND TRADING CO LTD

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TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECFMBER 19	By Sales Returns Inwaris	Mock Jist Luc.			By Find ng Account Gross Profit D'son is Received Fronte Fee						
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EXERCISE XXI-No 39 (contd)

THE EXCELSIOR MANUFACTURING AND TRADING CO LTD

BALINEE SITER AS A 2 SET DATE AND LANGEST AS A 2 SET DATE	BALANCE (1990) 1990 1990 1990 1990 1990 1990 1990	LTD		6 11,700 11,700 18,700	M = 1 **	217 111 4 4 868 8					
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EXERCISE XXII-No 1

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STATEMENT OF AFFAIRS OF FXPRESS PARCEIS SERVICE LTD AS AT 29TH FFBRUARY 19		6 130 s d Apoter Vans Machines and Tooks 3 900 First St	60 Stores at d Spaires	Book Debts	Lst mar d to prod ce	Less Preferential Creditors per contra	Deficiency	085.97
STATEMENT OF AFFAIRS OF		Unsequed Cred tors Secured Creditors Lett white of security	Expected to rank Proferential Ceditors	Deduct per Cot tra			Dividends on £10 000 7 per cent Preference Shares are in arrest for one year	

EXERCISE XXII-No. 2

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STATEMENT OF AFFAIRS OF UNSOUND, LTD AT	Asserts	Stock in Trade	Estimated to Freduce Plant and Machuery	Estimated to Produce Fixtures and Fittings	Estimated to Produce Investments	Estimated to Produce Goodwill	Estimated to Proauce	Book Debts— Good Bad and Doubsful	Esturated to Produce Surplins from security to the hands of creditors, fully secured as per contra	Defined prevenenthal creditions as per sonira	Бейскагу	
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EXERCISE XXII-No 3

PRESTON & CO LIMITED

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	Cash at Bank Proceds of sale of — I and and blue day I lant and blue in	Stock in Trade Sook Debts collected		

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Should any further information be desired by creditors or contributor. I shall be happy to furnish it

Bankruptcy Hall, I ondon

lst April 19 .

Liquidator

6 K BUCKNALL 1 C 4

EXERCISE XXII-No 4.

A COMPANY LTD (IN VOLUNTARY LIQUIDATION)

LIQUIDATOR S I INAL STATEMENT OF RECEIPTS AND PAYMENTS

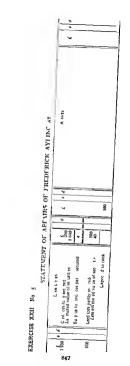
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Receipts	Cash in Hand at beginning of Liquidation Proceeds of sale of Compiny's Stock in Tade	receeds of sale of Company's Plant etc. 300k Dabis collected			

Should any further information be desired by Creditors or Contributors, I shall be happy to furnish it

21 Walbrook Street, London, E C 2

5th July, 19..

Liguidator, H L PEARCE, Incorporated Accountant



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EXERCISE XXII-No 10 (conid)

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# 12 000 00000 00000 00000 LTD AND REDUCED, AS AT 30TH JUNE, 19., Land and Buildings at cost, 643 amount written of Stock to Hand Sundry Debtors 1 - 000 54 0 7 BALANCE SHEET OF THE ASTA CO 20 000 5 000 24 000 ٦ 7 2 500 12,500 Janes Capus. 20,000 Ordinary Shares of 7s. 6d. each. elly paid 25,000 For cest Freference Shares of 10s. each, fully paid 7 CAPITAL AND LIABILITIES EXERCISE XXII-No 11 65,000 5 per cent Debenture Stock Sundry Trade Creditors Hathories Capital-

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# JOURNAL

Profit and Loss Account To General Res rie Account Transfer of amount to reserve as per resolution dated	15 000	5	d £ 15 000	1	d
Preference Share D vidend Account To Sundry Preference Shareholders I had d v den t of 3 per cent on 250 000 Preference Shares of Li each declare t by re olut on dated	7 500		7 500	,	1
Profit and Loss Account To Preference Share Div dend Account Transfer	7 500		7 500		
Sundry Preference Sharel olders To Income tax Account Tran fer of tax on £7 500 dividend at 4s 6d in the £	1 687	10	1 687	10	
Profit and Loss Account To Employees Pens on Fund Transfer of a nount placed to fund as per resolution d ted	10 000		10 000	ľ	
Ordinary Share Account To Sundry Ord nary Shareholders Dividend of 20 per c nt free of tax on 400 000 Ordinar bi ares of £1 each declared by resolution dated	80 000		80 000		
Profit and Loss Account To Ord nary Share D vidend Account Transfer	80 000		80 000	-	
Bonus D v dend Account To S indry Ordinary Shareholders Bonus of £! Share laken at a price of £2 for every 50 shares held on 400 000 Ord nary St ares declared by resolution dated	16 000		16 000		-
Profit and Loss Account To Bonus D yidend Account Transfer	16 000		16 000		
Sundry Ordinary Shareholders To Ordinary Share Cap tal Account Ordinary Share Premium Account Issue of 80 000 Bonus Shires of £1 each at a premium of £1 a share	16 000	- -	8 000 8 000	-	-
	(249 687	10	£249 687	10	Œ

# EXERCISE XXII-No 13-

# JOURNAL

1936 Mar 10	Cash To Ordinary Share Application Account Being receipt of 5s a share un	2,500	s d	£ 2,500	s d
., 31	10,000 shares due on application Ordinary Share Application Ac- count To Ordinary Share Capital Ac- count Being 5s a share due on applica	2,500		2 500	
	tion on 10 000 shares  Ordinary Share Allotment Account To Ordinary Share Capital Ac- count Bung 15s a share due on aflot	7 500		7,500	].
	Cash To Ordinary Share Allotment Account Being recept of 15s a share on 10 000 shares due on allotment	7,500		7,500	
	Preference Share Capital Account (Frofit and Loss Account (Fremum); To Sundry Members Being transfer of shares now redeemable and premium of 5 per ceat thereon as per resolution	1,000		21,000	]
	Sundry Members To Cash Being redemption of above shares	21,000		21,000	-
	Profit and Loss Account To Capital Redemption Reserve Fund Being transfer of a sun equal to the amount applied out of profits in redeeming shares	10 000		10,000	-
	lj L	£72 000 i	مات	£72,000	-

### THE X RAILWAY CO

# RECEIPTS AND EXICADITURE ON CAPITAL ACCOUNT

To Expenditure	An ou 1 Expended to \$1.1 D can ber 19—	By Receirts	Amount Rerewed t 31 t December 19—
Lines open for Traffic Lines in course of Con truction Working Stock (I ogions Car riages etc.) Total Capital expendel usi Raifway Contributions to Joint Lines Porchate of Grand Capal	1 230 910 100 900 30 909	s per cert Preference Stock Ord nary Stock 4 per and Debenture Stock Premuums on Stocks	\$50 000   \$ 6 \$00 000 \$10 000 \$5 000
Total Expenditure Balance to General Balance Sheet	74 99 ) £1 43 > 600	Total Receipts	£1 43× 001 1

# GENERAL BALANCE SHEET 31ST DECEMBER 19

Capital Account Ba asser at	£ 24.990	,	4	Cash ar Bank General Stores Stocks on	s4 000	ŧ.	d_
Debts die to other Companies Sundry Tradesmen etc			1	Han 1 Traffic Accounts due to Com	35 61.0		
Fire Insurance Ford	9 000		١,	pany Due Iron oth r Companies	35 600 2 700		-
Balance to Credit of Net Resenur Account	10 510	Ц		Sundry Outstanding Ac	9 700		
				Superannuation Fund Invest ments	20 000		
	£151 80)				(151 80°	_	_

#### EXERCISE XXIII- Nos 1-8-

- (1) £25
- (2) £7 10s 4d per cent per annum
- (3) £3 13s 5d (4) £3 8s 5d or 3 419 per cent
- (5) /11 9s 6d
- (6) £6 6s 9d
- (7) £14 7s 6d
- (8) £3 16s 6d

# EXERCISE XXIII-No 9.

See Advanced Accounts Chapter XXIII for Examples

## EXERCISE XXIII-No to

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EXERCISE XXIII-No 11

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Actual Cash value of year a dividend @ 5%, on £1,176 = £57,106... dednot 54-ta £ for tax = £14,776
... Actual Cash value of year a dividend = £43,276.

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May 3

\* rnepi 22 10 Ċ 98 C174 18 8 1/1 83F \* Interest 30 88 Nom mal 900 12 ON By Cash c later s @ 5°s on £2 000 (INTEREST PAYABLE IST JANUARY AND IST JULY) Sonds Cash (as above Cash (as above) ARCADIAN COVFRNMENT 5% BONDS e in 8 8 --8 9,4 33 8 6 1869 19 6 1174 18 8 (1 886 11 Pr ne pad 2 fote est 3 2 000 2 4 Norm na! 000 1 To Cash 1\* (£2 000 Aread an Govt Honda @ 95 + 2/6"s Brokerse + 18 Sta Lat ( \*4 of £100) Profit on Sale of Brinds Trans er to Inter at A c Sept 30 To Balance b d Sept 38

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	T PAYABLE	Name	AUTHOR.
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Fort Outrers In	sh (as above)	_	2	
Ferst Quitters 1st	Carh (as above)	_	0.1	
(Ford Quitters Int	Cash (as above)	_	01	
(First Quitters, 1st @	S Carh (as above)	Cash les al over Balance c/d	01	
(Ford Querters, 1st List lacome Tay @	Apr S Cash (as above)	31 Balance old	9	_

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PARTICULARS RE SALES

	4 ×	Sign of 1000 bases 6 32 = 2 1 - 3,500 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2 64 8	P. P.	д	Sale of 16 000 Stock (\$ 81 Less L'appears n Brokerage (\$ 1%	20 m	5,460 1 4 - 10 4 - 10 5,449 16 - as per conter	as per co	***
EXER	CIS	EXERCISE XXIII—No. 17	E BRO	KE	THE BROKER'S LEDGER	GER				İ
1	á		SNOW	¥	SNOWFLAKE DIRLIP				δ	
July 10 To To To To To To To To To To To To To	30.50 30.51	(14 600 Mexican Ordinary @ 491 (14 600 North-Mexican @ 591 (10 00 North-Wexter @ 691) (12 61 Mexican Ordinary @ 47 Mexican Ordinary	7 512 10 14 457 10 11 110 56 5 283 15 - 2 22 960 - 1 22 960 - 1 7 050 11,150 - 1 15	A 1 1 1 1 1 1 1	July 24	Dy / 14 600 South-Latern (6) 8, 47 20 2, 215,000 North-Wosten (6) 68 15 ctd.	Stern @ 34 Ordinary @ Ostorn @ 65	1,47 c/d 1,18 c/d	4,780 11,150 11,150	2111

See Advanced Accounts, pages 1044 (under 'Tabular System of Book keeping ) and 1046-7 (specimen of Visitors' Ledger).

VISITORS LEDUTR

TUTSDAY I III INVUARY 19

DEBITS	2	Rorm I J H ghes	==	tho n 2	_	111	-	24	Room 4	is,	F / Cr	3	PEBITS	_	Lot )		Lorw ri		Forward
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Totals	£3	100	-			2	13	L			-	0	Torats	૯	2	-	  -  -	ឌ	2
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# See Advanced Accounts page 1048 tor specimen

EXERCISE XXIII-No 21

Specimen of Rates I edger for

District L			Period	Quarter ender	end
Name of Road or Street	reet	Martin Street	Date for Paymen	vment	
Name of District Collector	llector	1 Phillips			

	25th March 19	25th April 19	
	Ouarfer ending 2		
		Date for Payment	
	Period	Date for	
or a Water Co is appended-			
21 (0 15		Marin Street	Phillips
or a Wat		Marit	-

Collector	1 1	Phillips	Date for	Date for Paymen		25.	25th Aj
en.	Rental	Per c stage	SPECIAL SUPPLIES FOR	For Amount Date of	Date of	Amount	1

. Z	Name of District Collector		1	- 27	Tarin Strill			Date for Payment	Pa.	уше	ŧ		72	25th April 19	19	
2		===	Rent	-	Į.	PECIA.	SPECIAL SUPPLIES FOR	s ros		l	2	1				
<u> </u>		_==	Atleta HE I		Charged	R. J. H.Charged Buh. w.c.	* c *	wcs Haras	€ 8	Amount of Tax	E P		Pard	Arreira	Debts	Remarks
	Johnson 1 M		100		** 4 ** 00		61.64	11	~°°°		6 - Apr 12	22	200	42 f	3 10 4 6 3 4	Remove 1—
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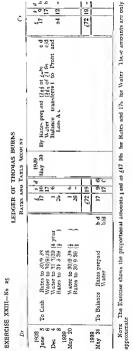
#### TOURNAL OF Z

		Journal of D				
	37 31 (	a) Preference Share Dividend A,c Dr To Preference Shareholders , Income Tax @ 5s t	1 275	5	£ 956	s d 5 - 15 -
.,	31	Profit and Loss Appropriation Account Dr To Preference Share Dividend	1,275	-	1,275	-
,	31 (	b) Ordinary Share Dividend A/c Dr Bonus Account Dr To Ordinary Shareholders	5,000 1,000	H	6 000	-
•	βI	Profit and Loss Appropriation Account Dr To Ordinary Share Dividend Bonus Account	6,000	1	5 000 1,000	===
	31	c) Profit and Loss Appropriation Account Dr To General Reserve Account	5,000	-	5 000	].
,	31 (	General Reserve Account . Dr To Bonus Account	20 000	1	20 000	-
		Bonus Account Dr To Ordinary Share Capital A <sub>f</sub> c	20 000	-	20 000	-

<sup>&</sup>lt;sup>a</sup> The matter of Income Iax, though not m the question has been raised as a matter of course at an assumed rate only

# EXERCISE XXIII-No. 24

- (a) The three ways by means of which Debeutures may be redeemed are-
  - (1) Out of Profits (2) out of Capital and (3) by means of a Sinking Fund (See Advanced Accounts page 686 et seq.)
- (b) The circumstances under which Bonus Shares would be issued are two-fold, namely—
- (1) When a company has accumulated large Reserves out of profits, and (2) when successful trading causes the shares of such companies to be "above par," or at a premium [see Advanced Accounts, page 714 for example of issue of Ponus Shares].



å 1938 June ? ř

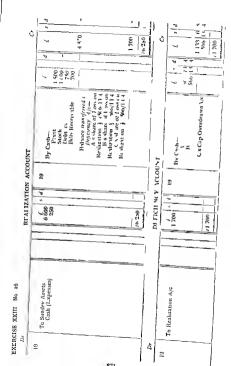


XERCISE XXIII-No 25 (contd)

33

To Fire Insurance, prepaid

1939 Vay 31



£6 433

3,183

62,500

2,000 500 500 250

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EXERC Dr	EXERCISE XXIII—No 26 (conid 1  Dr	BS CAPITAL 1CCOUNT	LNA	Ó
6	To Share of Cs Over drawn A/c #	£ s f 19 306 5 1 193 15	By Balance	s 00c 17
ă		CS CAPITAL OVERDRAWN ACCOUNT	ACCOUNT	3
61	To Balance Share of Deficiency	500 500 566 13 4	By Cash Balva c = 1	2 4 5 4 50 5 4 4 300 5 8 810 13 4
		£1 080 13 4		/1 088 13 4
	Amount due to A #488 of 15 A £488 of 15 B £888 of 24 Less Contra	Print Stratument Amount due to Print Stratument due of Especial Capital (2) 1831 and 1832 and Definency B. 1888 of 24 1842 and 1832 and 1832 and 1832 and 1832 and 1832 and 1832 and 1832 and 1832 and 1832 and 1832 and 183	1 649 11 8 5 4 4 5 4 4 5 4 4 5 4 4 5 4 5 4 5 4 5	

		JOURNAL				
		OPENING ENTRIES				
19 Jau	1	Cach in hand at Bank Fort Wine (5 press @ (60 a pipe) Sherry (5 butts @ (50 a butt) H Jehnson Bills Receivable To A Robinson To A Robinson (A Robinson die 6th Jan) "W Witers "W Witers "W Witers" "W W Witers" "W W Witers" "W W Witers" "W W W Witers" "W W W W Witers" "W W W W W W W W W W W W W W W W W W W	£ 50 500 300 250 253 100		90 60 50 1 300 £1 500	s d
	_	JOURNAL LATRIES				
19 Jan	1	W Brown (sendor) To Share Capital Account lor issue to sendor of 800 shares of £1 each as fully paid in part pay ment of purchase prize of business	\$00	s d	£ 800	s d
•	ı	Sundry Shareholder, To Share Capital Account For issue of balance of shares, i.e. 1 700 shares of £1 each	1 700		1,700	-

CASH	воок

	CASH BOOK (Debit Side)	Cash Bank
19 Jan 1 ,, I	To Balance Sundry Shareholders	£ 50
	(CREDIT SIDE)	Cash Bank
19 . Jan t	By W. Brown (vendor) ,. Balance c/d	£ s d £ s d 1,700

# JOURNAL

19 Jan	Application Account Al oftment Account To Share Cap tal Account For issue of 20 000 shares upon which II per share on application and I2 for share on 10th	20 000 40 000	S	d	€ 60 000	s d
Apr	ment has been made  First Call Account To Share Capital Account For 43 per share on 20 000 shares	60 000		-	60 000	-
June	Second Call Accoun  To Share Capital Account  For £3 per share on 20 000 sl ares	60 000			60 000	
	Business Purchase Account To Mes rs W I on & Co (vendors) For purchase of Gladsdale Iron Works from vendors as per agree ment	180 000 125 000	-	-   [   [	180 000 125 000	] <del>-</del>
•	Messrs Wilson & Co (sen lors) To Share Capital Account For issue to vendors of 2 909 shares of £10 each as fully poid being part payment of purchase price of business	1			25 000	-
		£330 000	_	-	£330 000	

# TRIAL BALANCE

Business Purchase Account Calls in Arrears—	!	125 000	\$ ď	£	5	2
Ist Call Account 2nd Call Account Cash at Bank Share Capital	£ 12 a00	17 500 67 500		205 000		
State Capitai		£200 000	L	€205 000	L	L

#### KEY TO ADVANCED ACCOUNTS

# EXERCISE XXIII-No. 28 (contd)

## CASH BOOK (DEBIT SIDE)

ı

Bank

1 [

19 Jan . Apr June	To Application " First Call A " Second Call		£	s d	60 000 55,000 47 500 4162 500	5
***************************************		(CREDIT SIDE)				_
					Bank	
19 June	By Messrs Wil Balance c/c	son & Co (vendors)	£	s d	100 000 62,500	8
Dr	APPLICATIO	N AND ALLOTHENT A	CCOLNT (	SHART	is) Cr	
Jan 1	o Share Capital	60 000 Jan	By Cosh	. ,	es 6000	-
$D_{\tau}$	Fi	RST CALL ACCOUNT	(SHAPES)		Cr	
19 Apr 1	o Share Capita)	60 000 - 1 Apr	By Cash Balance	e/d	\$5,000 \$ 000 £60 000	44
Dr	Sec	OND CALL ACCOUNT	(Shares)		Cr	
	fo Share Capital	f 60 000 -	By Cash Balance	s/d	47,500 12 500 £60 000	IJ.

£20> 000

20> 000

By Balance b/d

#### EXERCISE XXIII No 28 (contd.) D٠ BUSINESS PURCHASE ACCOUNT C+ (Gladsdale Ironwerks) 19 To Messrs Wilson & Co 120 000 П MESSRS WILSON & CO (Ven lors) Đ٢ C+ 19 13 Bs Bus ess Purchase To Share Cap tal 000 Cash 100 000 A/e 125 000 £12 000 £125 000 Dr SHARE CAPITAL ACCOUNT Cr 11 19 20° 000 To Balance c d By Appl cation and 4 tolment 60 000 F st Call Second Call Me srs Wison & 60 000 60 000 o date Co g ven) 25 DOO

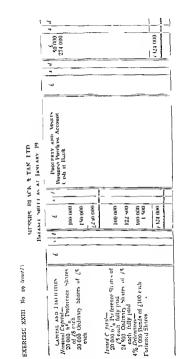
205 000

#### TOURS ALOF MESSES BLACK & TAX LTD.

19 Jan	Sundry Shareholders To Ordmary Share Capital	75,000	ℓ   ℓ -! 75,000	5 4
	Sundry Sharebo'ders To Preference 'bare Capital	100 000 -	100 000	\
	Business Purchase Account To Vendor's Account For part value of business pur chased	50,090	50,000	 
	Vendor's Account To Ordinary Share Capital For issue to ve idor of 10 000 shares of £5 each as part pay ment of purchase price of bust noss	50 000	50,000	
	Ordinary Share Caj tal To Forbitted Shares secount Unpa d Calls	2500	1,500	!   [-
	Debenture Holders To Debentures	100 000	100 000	<u>.</u>
	<u> </u>	4377 500 -	(377 500	

# (DEBIT SIDE)

lau 18	To Sundry Sharcholder, (Ordinary Shares) Sundry Sharcholder, (Preference Shares)	7\$ 000 100 000
	be lenture Hollers	100,000 - (274 000 -



No of Date of

Apple Applica

1

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ã iá Strong P Carter G M

567 181 Turner R Brown A Trebryn N

18

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19

19

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21

19 Feb 16

is

19

14

ADDETSS

12 Brooke Street, Lyndhurst 64 Fleet Street London E C 17 Thornville Road Buxton 2 Boulders Laur, Cleethorpes

56 Lo ignorth Road Thurston 95 St. Peter's Road Somerset

130 Lame Street, Liverpool

EXERCISE XXIII-No 30

NAME

Smith, I Finch, T. F

release N

Carter, G M

Turner R

Brown, A

Trelwyn N

Philipott L.

French H

Smith &

THE STATUTORY AND STATISTICAL BOOKS

(Incorpor	ated t	ander the
APPLICATION	AND	ALLOT

Occupation

Survesor

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Architect

Soise et

Broker

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No of Amount Shares Paid on

Applied Applica for 100 1,500

1 200

1 000 1,500

600 1,200 900

1,000

1.500

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ro 9	II French, H Smith, 4	196 Corners le Lan 2 Grance Hans o	e Lescriter	Desitner Banker	1 2,3 1 31 4	1 690 500 3 750 110 (17,100	
				SHARI	EHOL	DERS' C	ASH
Date	Leceipts	Fo   A 1 uni	Date	Paymentis	Fo	Amount	<u>.</u>
13 1eb 16 16 16	Io Application A c— South F Finch, Thos E	1 2 2 2	19 fe. 21 By	Karance old		17,100	4

900

500 2 250

1,800

1 800

3 750 £ 17 100

# THE BRITISH TIMBER SYNDICATE I TD

npames Act 1929)

#### NTS BOOK (PREIERENCE SHARFS)

				_			
of Nur	ct ve nhers To	Amo ni Deon SL Fo App a on a d A otme I	Balance Due on Allorment	Amou t Prid on Al olment	Cash Letu el	No of Sh v Cert ficate	Rп
00   1 001 00   2 01 00   3 01 00   3 01 00   4 001 00   5 001 00   6 001 00   6 001 00   8 001	3 900 4 000 5 000 6 500 7 600 8 600	1 100 1 100 1 100 1 100 1 100 3 000 4 3 00 1 100	1 40 4 4 1 1 3 4 1 1 3 4 1 1 3 4 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1 00 5 d 1 50 600 1 500 1 500 50 800 1 200 2 250 12 700			

# OK (PREFERENCE SHARPS)

<b></b>	141 71	l			ta treats,	FO	^ "	1
9 b 21 23	A come i A c- Sm h F hot Thus E Strong P Strong P Cut of R B urt of R T elwen N Phipot L Fre c H Smu h A		17 100 5 d 1 n0 6 0 1 00 5 00 1 00 2 0 0 1 00 0 2 20 0 0 0 0 0 0 0	19 t eb 23	By Franse to Gen e al Cash Book	E	4 10 000	

Date | Records | bull Arms 4 | Date 1 | Page 1 | Page 1

# Number of

# THE COMPANIES ACT 1979 RETURN OF ALLOTMENTS

OF THE

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for

must be

poppressed ben.

£10

BRITISH TIMBER SYNDICATE, LTD

FERENCE Share

made 23rd day of February, 19,

Number of the PREFERENCE Shares affected payable in 10 too Cosh

Nummal Amoust of the PREFERENCE Shares so allotted 4100 000

Amount paid or due and pa also on each such PRE 1 210

Nominal Amount of the Shares so allotted £100 000

The Consideration for which such Shares have been allotted in as follows...

Amount to be treated as naid on each such Share .

Part Payment of the purchase price to acquire the business of Wester Poole & Co (vendors)

# NAMES ADDRESSES AND DESCRIPTIONS OF THE ALLOTTEES IN THE BRITISH HUBBER SYNDICATE LIMITED

SURNAME	Сияз	Appetin	Description	A imber of Shares Allotted			
	(X ki)			Prefer ence	Ordi	De lerrec	
Smith	Ired	12 Brooke Street Lyndh 1st	Surveyor	1 000			
Finch	Thomas F	64 Firet Street Londo EC	Journalist	500	İ	ļ	
Strong	Phillip	17 Ibor il c Ro d Buston	Architect	1 000	1	1	
Larter	Grace M	" Boal has Lane Cleethorpes	Sp nater	500		1	
Turner	Reg mid	6 Longworth Read Thursten	Mer hant	1 000			
Brown	Arthur	95 St Peter's Road Somerset	Broker	1 000			
l reiw y n	Vorman	(10) Lame Street Laverpool	Mason	1 500	ļ		
Ph Ipott	Loshe	14 Larneway Avenue Burt a	Butcher	\$00		1	
French	Harold	106 Cornerake Lane Le cester	Deugner	1 000	1		
Sauth	Alfred	2 Grange Mas 5 ons Pudworth	Banker	000		ļ.	
Foole & Co (vendors)			1		10 000		
	1		1	10 000	10 000		

#### CALL BOOK

				~		20016
First	Call	of	£3	per	Shar	e made

S L Folio	Name	Address.	No of Shares Held
	Smith, F Finch, Thos E Strong, P Carter, G M Turner, R Brown, A Trelwyn, A Trelwyn, A Fhilpott L French H Smith, A	12 Dooke Street, Lyndhurst 61 Fleet Street, London, E C 61 Fleet Street, London, E C 62 Fleet Street, London, E C 63 Fleet Street, Levelopes 64 Longworth Road, Thurston 65 St. Fester's Read, Somerset 110 Lime Street, Levelopol 14 Lameway Avenue, Buston 106 Contraste Lane, Location 106 Contraste Lane, Location 2 Grange Manuom, Padworth	1,000 500 1 000 500 1,000 1,000 1,500 1 000 2 000

# CALL BOOK

# Second Call of £2 per Share made

S L Folio	NAME	Address			
	Smith, F Finch, T E Strong P Carter G W	42 Brooke Street Lyndhurst 64 Fleet Street London, E C 17 Thornville Road, Buxton 2 Boulders Lane, Cleethorpes	: :	1 000 500 1 000 309	

			i
Smith, F	12 Brooke Street Lyndhurst		. 100
Finch, T E	64 Flect Street London, E.C.		1 100
Strong P	17 Thornville Road, Buxton		36
Carter G W Turner, R	2 Boulders Lane, Cleethorpes		1 00
Brown A	56 Longworth Road, Thurston 95 St. Peter's Road, Somerset		1 00
Trelwyn N	110 Lime Street, Liverpool	:	1 50
Philpott L	14 Larneway Avenue, Buxton		50
			1.00

Depth   Section   Sectio	Turn Brow Trelv Philp Frenc	yyn N oott L ch, H	56 95 110 14 103	Lime Street, Liverpool Larneway Avenue, Buxton Cornerake Lane, Leicester	:	15 10 20
--	---	--------------------------	------------------------------	--	---	----------------

#### (PREFERENCE SHARES)

April 1st and payable on same date

Amount	Amount	ARREARS	Calls Paid in	Remarks
Due	Paid	Amount Days   Interest	Advance	Acmuas
3 000   -	3 000 1 500 1 500 3 000 1 500 3 0 0 1 500 3 0 0 4 500 1 500 3 0 0 1 500 3 0 0 1 500 1 500 1 500 1 500 1 500 1 500 1 500 1 500			

#### (PREFERENCE SHARES)

June 1st and payable on same date

Amount Due	Amount Paid	Amount Da	 Calls Paid in Advance	Remarks
\$\frac{f}{2 000} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	1 000   -			

NAME

#### CALL BOOK

#### (Final Call of £2 per Share made

Annuess.

Folio	NAME.	ADDRESS.	Held
	Smith, I C Funch I C Strong F Carter G M Turner R Brown, A Irelwyn N Philipott L French H Smith, A	12 Brooke Street, Lwadhurst 61 Heet Street, London, E.G. 17 Thoravulle Road, Buxton 2 Boulders Lanc Cleethorpes 56 Longworth Road, Thurston 55 E. Peter's Road, Someraet 110 Lime Street, Luceppool 14 Larneway Ancoue, Buyton 106 Cornerake Lane, Lucester 2 Grange Manssons, Pudworth	1 000 500 1 000 500 1 000 1 000 1 500 1 000 2 000
Dr		SHAREHOLDER	S CASH
S L Folio	RECEIPTS	lst Call 2nd Call Final Call April 1st June 1st Aug 1st	Cotal
	To Smith F Finch T Finch T Strong, P Carter G B B Tollyg N Philpott L French, II Smith, A	6 4 7 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	000
	Aug 10 To Brown A (arrears in cluding Int)	1,00	

#### (PREFERENCE SHARES)

Ist August and pay it le same date)

Amount Due Paid	ARREARS Amount   Days   1 terest	Calls Paid in Advance	Remarks
2 000   1 000   2 000   4 000   5 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1000 30 4 2 2		Pad Aug 10

### BOOK (PREFERENCE SHARPS)

Cr

S L Foho	PAYMENTS	Ist Call Apr l 1st	2nd Call June 1st	Final Call Aug 1st	Total
	By Transfer to Ge cral Cash Book	£ s d	£ s d	£ s d	f s a -
		30 000	20 000	19 000	69 000
	hug 'A By Erroiden to General Cash Book	1 11			7,000

## REGISTER OF TRANS

	Date			TRANSFEROR S		L		
No of Trans fer	Trans	fer	S L I o	NAME	Anoness.	Occupation	S L. Fo	Name
1 2 3 4 5	19 Mar 10 22 May 24 June 23 Sept 19		Poole & Co (vendors)			{	Laurel F Tordin, P Charlton L Dalton C Soomes, R	

# REGISTER OF TRANS

	Date						
to el frans fer	fer Regis	S L Fo	NAME	Address,	Occupation	S.L. Fo	Naut
	19 Mar 25		South, F	12 Brooke Street, Lyndhurst	Surveyor	'	French T E

fer	Regis	S L Fo	NAME	ADDRESS,	Occupation	Fo	NAM
1 2 3 4	19 Mar 25 Apr 20 Hay 16 July 16		Smith, F Philpott L. Smith A Trelwyn, N	110 Term Cleant Language	Surveyor Butcher Banker Mason Architeci		French T E French H French T Turner, R French H

#### FFRS (ORDINARY SHARES)

TRANSFEREE S		SMARES TRANSFERRED No of	Remark
ADI PES	Occupation	No of   Distinctive   Amount   Shares   From To   Paid up   ficate	
16 Penzance Road Falmouth 27 Eign Avenue Somerset 3 Lottbury Mans ons Poole 64 Rossberry Avenue Paumton 17 Luonel Garders Brom ev	M240n Grocer Banker Builder Gentieman	1 000 10 001 11 000 10 000 1 000 10 0	

#### FERS (PREFERENCE SHARES)

Transferee 5		s	HARES T	[RANSFI	CARED		No ot		
Address	Occupation	No of Shares	Prom To		A mo	Amount Paid up		Remark	
64 Fleet Street London E C 106 Cornerake Lane Le cester 64 Fleet Street London E C 58 Longworth Road Thurston 106 Cornerake Lane Leicester	Journalist Designer Journalist Merchant Designer	100 500 1 000 509 509	6 501 8 001 5 001 1 501	100 7 000 9 000 5 500 2 000	1 000 5 000 10 000 5 000 5 000 5 000	s d			

890		KEY TO ADVANCED ACCOUNTS					
	Name Address	MEMBERS AND					
Dr		с	ASH ACCOU	INT		Cr	
Date	Particulars	Fo Amount Called up per Share	Total Amount Called up	Date	Particulars,	Fo Total Amount Pard up	
19 Feb 23	To Share Capital	100,000 2 4		19	Issued as fully past	100 200	
	Name Laurel, Frances Occupation Ma Address 16 Penzance Road, Falmouth						
		4					

Occupation

Occupation

Occupation

Occupation

Gracer

Banker

Builder

Gentleman

Name

Name

Name

Name

Address

Address

Address

Address

Iomlin, Bers

Charlton, Leslie

Dalton Charles

Sormes Robert

27 Elgin Avenue Somerset

3 Lothbury Manstons Poole

64 Roseberry Avenue, Paignton

17 Luonel Gardens Bromley

SHARE LEDGER (ORDINARY SHARES)

Date entered as a Member Febru

Date entered as a Member

Date ceased as a Member

February 23rd 19

Date ceased as a Member

SHARES ACCOUNT

SHARES ACQUIRED	1	SHARE	TRANSPERRED		BALANCI
Date Fo 22 From To	Amount Paid up	No of Shares	Distinctive Numbers From To	Amount Paid up	o strange Am
19 23 10 000 10 001 00 000	Var Vay June Sept	24 1 000 24 1 000 23 500	10 001 11 000 11 001 12 000 12 003 13 000 13 001 13 500 13 001 14 000	£ 54 10,000 10,000 10,000 10,000 2,000 3,000	10 000 100 0 9 000 90 0 8 000 80 0 7 000 70 0 6 500 65 0 6 000 60 0
Date entered as a Member Date ceased as a Member	Marc	<b>№ 101</b> № 15	,		
19 Mar 10 1 000 10 001 11 000 1	0 600 ts d				1 000 10 €
Date entered as a Member Date ceased as a Member	Mar	:h 22nd 1	9		
19 Var 22 1 000 11 001 12 000	10 000 3 4				1 000 10 6
Date entered as a Member Date ceased as a Member	May	24th 19			
19 May 24 1 000 12 001 13 000					1 000 10 6
Date entered as a Member Date ceased as a Member	Jun	e 23rd 19			_
19 June 23 500 13 001 13 500	5 000	TT			300 st

September 19th 19

892		KEY TO ADVANCED ACCOUNTS	
		REGISTER O	F MEMBERS
	Name Sm	th, Fred . Occupation S	urveyor
	Address .	.12 Brooke Street, Lyndhurst .	
Dr.		CAST ACCOUNT	Cr.
Date	Particulars.	Fo. Called up Date Particulars, Called up	Fe Total Amount Paid up
19 eb 23	To Application and Allotment	\$\begin{align*} \begi	£ 5 4 1,500
pr t	To First Call	3 23 000 Apr 1 By Cash .	[£3 000] -
one 1	"Second Call.	2 - (2 000 June 1 Cash	£2 000     -
ug 1	, Final Call	2 - (2000 Aug 1 ,, Cash	2,000



pr 1	To Application and Allotraret  To First Call Second Call First Call	\$\begin{array}{cccccccccccccccccccccccccccccccccccc
	Name Strong	=

	Name	Strong 1	Philip	, Occupation	a Archifest	
ar enii Et	To First Call "Second Call "Final Call	-	2 -	(1 500 - Apr 1 By Ca (1,000 - June 1 Ca (1 000 - Aug 1 Ca	£1,000 -	
		11		(1 5001	(1 500 ) -	

ig 1 "Fisal Cal	2   10	1 000 Aug 1 ,, Carb	11000 -
Name	Strong Philip	. Occupation	Architect
Address	17 Thornwille Ro	ad, Buxton	

9 b 23

19 Feb 18 ,, 23 To Application and Aliotment By Cash . . To First Call . By Cath . .

" Second Call - Front Call

#### AND SHARE LEDGER (PREFERENCE SHARES)

Date entered as a Member

February 23rd 19

Date ceased as a Mcmber

#### SHARES ACCOUNT

	S ARES ACQ HED					S SEES TRANSPERRED				B.	BALANCE	
Da e F	No of	D s r Num		A no nt ladup	Date	Fo 25	D st Num	ctive ibers To	Amount Padup	No of Share	Amount Paid up	
19 Feb 23	1 600	1	1 000		19 War 25	100		100	t 000	1 000 1 000 1 000 1 000	\$ 3000 6 000 8 000 10 000 9 000	

Date cease 1 as a Nember

Date entered as a Member February 23rd 19

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10	1	ŧ	- 1	- 1	

|--|

Date entered as a Member Date ceased as a Member February 23rd 19

19 Feb 23	1 401	2 500		19 Aug 20	500	1 501	2 000	£ 3 000	s d	1 000 1 000 1 000 1 000 1 000	3 000 6 000 8 000 U1 000 5 000	1
					Ш		]	1				1

 $D_{r}$ 

Date

Name, ... Carter, Grace M

Particulars

Address. .... 2 Boulders Lane, Cleethorpes ...

Amount Called up

ner Share

CASH ACCOUNT

Total

Date

#### ALL TO ADVANCED ACCOUNTS

REGISTER OF MEMBERS AND

 $C_{r}$ 

Total

Amount Paid up

... Occupation . . . Spinster .

Particulars

Apr 1 To First Call June 1 , Second Call Aug 1 , Final Call .	3 - 1,500 (1,500 2 - (1,000 2 - (1,000	- Apr t Sy Car	£1 500 ~
Name 7 Address	urner, Reginald 56 Longworth Road,	Occupation Thurston	1 Merchant
Feb 23 To Application and Allotmer	£ 1 4 £ 3000	1 2 Feb 18 By Cach - 23 , Cash	1 1 800 5 d 1 200 5 d
Apr 1 To First Call	3 - (23000	- the 1 By Cash	
June 1 , Second Call	2 - 12 000	June 1 ,, Cash	[2 000
Aug 1 , Finel Call	2 (2 600	- Aug 1 Cash	72 000
Name B,	own, Arthur 95 St Peter's Road S	Occupation	Broker
19 Feb 23 To Application and Allotment	1 1 - 1 - 1 - 1 - 1 - 1 -	Fet 19 By Cash 23 , Cash	1 500
Apr 1 To First Call	3 /3000	- Apr 1 By Cash	
June 1 Second Call Aug 1 Funal Caff .	2 - (2 000) -	Aug I Cash	1 2000
Aug 1 , Final Caff Interest	2 2 004 2	2 10 Cssb (rett i	1,004 2, 2

#### SHARE LEDGER (PREFERENCE SHARES)

Date entered as a Member February 23rd 19

Date ceased as a Member

SHARES ACCOUNT

D's netive Numbers	Amount	1 12-1	Ds netive Numbers lea	55	. 1
rom To	Pidup Da			and rb SE	
3 000				50 50	0 1000
	11				501 3 000

Feb 23 July 16 1 000 3 001 500 5 001 4 000 5 500 1 000 1 000 1 000 1 500

Date entered as a Member Date ceased as a Member

February 23rd 19

19 Fel 23	t 000 4 001 a	000		1 000 1 000 1 000 1 000	£ 2 000 6 000 8 900 10 000
				1 000	8 900 10 000

# REGISTER OF MEMBERS AND

	Name . Trelwyn, Norman Occupation Mason .
	Address 110 Lime Street, Literpool
Dr.	CASH ACCOUNT Cr
Date	Particulars. Fo Amount Total Amount Date Particulars. Fo Total Amount Called up Date Particulars. Fo Paid up
19 Feb 23	To Application and Allotment 3 - 4.500 - 1.23 By Cash
Apr. 1	To First Call . 3 24,500 - Apr 1 By Cash
June 1	" Second Call 2 [3 000 June 1 Cash   [3 000
Aug I	Final Cali . 2 (3 000 - Aug I Cash
19 Feb 23 Apr 1 June L Ang 1	Address 14 Laraeusay Acetuus, Buston
	Name French, Harold Occupation
19 Feb. 23	To Application and Allorarest 2 - 1000 - 22 - Cash . 1500 - 23 - Cash . 1500 - 1000 - 23 - Cash . 1500 - 10

#### KEY TO ADVANCED ACCOUNTS

#### SHARE I COGER (PRESENCE SHARES)

Date entered as a Member February 23rd 19

Date ceased as a Member

#### SHARES ACCOUNT

	SHARE	Acqu	EEED		!	SHAPES	TRAVS	FERRED	_	BALANCE		
Date Fo	No of Shares		to To	Amount Pard up	Date F	Shares	Distri Num From	To	Amount Paid up	No of Shares	Amount Paid up	
19 Fcb _4	1 -00	5 001	6 100		19 July 15	500	5 091	> a00	£ 5.4	1 500 1 500 1 500 1 500	4 500 9 000 12 000 13 000 16 000	

Date entered as a Member February 23rd 19 Date ceased as a Member

April 20th 19

19 Teb "3	50	1 bc of 1	7 000		19 Apr <sup>2</sup> 0	500	6 501	7 000	€ 4000		1	500 500 500	1 500 3 000 4 00 0 5 000	d
				-						i				

Date entered as a Member February 23rd 19 Date ceased as a Member

19 20 1 000 7 001 8 000	1 000   3 000   4   1 000
-------------------------	---

June 1

Aug 1

. Second Call

Final Call

#### REGISTER OF MEMBERS AN

£4 000

Name Smith, Alfred Occupation Banker Address 2 Grange Manssons, Pudworth DrCASH ACCOUNT Cr Total Date Particulare Called up Date Particulars, per Share Called no Parlup 19 Feb 21 23 Feb 23 To Application and Allotment By Cash . 6 000 76 000 Apr 1 To First Call . 76 000 Apr 1 By Cash . .

# NAMES ETC OF THE DIRECTORS OF

June 1 , Cash

Aug t Cash

011 (10 10 10
Any former Christian Name or Names or Surname
_

#### KEY TO ADVANCED ACCOUNTS

### HARF LEDGER (PREFERENCE SHARES)

Date entered as a Member Date ceased as a Member February 23rd 19

SHARES ACCOUNT

STARE	P VCOCINED	!	SHARES TRANSPERRED					LANCE
Date Fo 25	Numbers I to p To	Amount Pashup	Date	Fo Series	From		nt 25	Am unt Paid up
19 Feb 23	8 001 10 613		19 May 16			10 000	2 000 2 000 000 2 000 2 000	6 000 - 12 000 - 15 000 - 10 000 -

#### THE BRITISH TIMBER SYNDICATE LIMITED day of March 13

Other business Nationality occupat ons, d of Onem (if other Directorsh ps Nationality Usual Residence than the M other Companies) present If none Nationality) sta e so ] 2 Grange Mansions Pudworth British Banker British 110 Lime Street Liverpool . Mason 17 Thornville Road Buxton British Architect British 17 Lionel Gardens Bromley . Gentleman British 12 Brooke Street Lyndhurst Surveyor

#### ANNUAL RETURN

OF THE

#### BRITISH TIMBER SYNDICATE LTD

made up to the 24th day of March, 19 ...

A Company s
Registration
Fee Stamp of
5s
must be
ampressed here

(Being the Fourteenth Day after the date of the First Ordinary General Meeting in 19, )

The Address of the Registered Office of the Company is as follows-

Nominal Capital £200 000 divided into 10,000 ORDINARY Shares of £10 each 10,000 PREFERENCE Shares of £10 each
Total Number of Shares taken up to the 24th day of March, 19 (Which number must agree with the Total [10 000 Preshown in the List as held by existing Uembers]
Number of Shares issued subject to payment wholly in Cash
Number of Shares usued as fully paid up otherwise 10 000 than in Cash
Number of Shares issued as partly paid up to the action of per Share otherwise than in Cash
There has been called up on each of 10 000 PRE }
Total Amount of Calls received including Payments (100,000 on Application and Allotment .
Total Amount (if any) sgreed to be considered as pard on 10,000 Omninary Shares which have been issued as fully prid up otherwise than in Cash

NOTE —The above I our is complete for the purpose of this Exercise. The actual Form is as illustrated on page 584 of Advanced Accounts.

#### BALANCE SHEET AS AT 31ST DECEMBER 19 .

CAPITAL AND LIABILITIES  Nominol and Issued Capital— 10 000 Ordinary Shares of 410 each 10 000 6%, Cumulative Preference Shares of 410 each (fully paul)  Sundry Creditor Profit and Loss Account— Halance at credit	£ 100 000 100 000	s a	£ 200 000 6 000 8 000	s .
PROPERTY AND ASSETS Freshold Land and Buildings (at est, less Depreciation) Frod Plant and Machusery (at cost less Depreciation) Movable Plant and Loose Tools (at valuation made by Company s Manager) Stock of Timber Sundry Debtors Cash in hand and at Bank			80 000 60 000 10 000 15 000 12 000 18 000 19 000	

#### (Signed)

Auditors to the Company.

(For List of Persons etc. see following pages)

LIST of Persons holding Shares in THE BRITISH TIMBER SYNDICATE, LIMITED time since the date of the last Return, or (in the case of the First Return) of the of the Shares so held.

		NAR	IES, ADDRESSES, AND OCCUPATIONS	
Folio in Register Ledger containing Particulars	SURNAME	Christian Name(s)	Address,	Occupation
O S.L.				
	Poole & Co			
İ	Laurei . Tomin . Chariton	France Bert . Lesige	27 Elgno Avenue, Somermet. , .	Siason Grocer Banker
PSL	Dalton Soames	Charles Robert		Bwider Gentleman
	Smith . Finch . Strong .	Fred . Thomas E Failso	64 Fleet Street, London, E C	Surveyor Journalist Architect
1	Carter	Grace ML .	2 Boulders Lane Cloethorpes 5	pmster ferchaut
	Brown .	Reguald .	to any other transition of	roker
- 1	Trelwyo .	Norman	III mandata direction	ason
	Philpott . French	Leslie Harold .	Transport to the second	nstipet estinet
- 1	Smuth	Alfred .	2 Grange Manueurs, Pudworth B	anker

on the 24th day of March 19 and of Persons who have held Shares therein at any incorporation of the Company showing their Names and Addresses and an Account

					s	HARE	TOFS	COUN.	AC				
Remarks	turn turn) Com have	first Re first Re of the who	of Shares te of the se of the porat on Persons to be 31	the dar athreas is neori	or ()	urn) Com	transle la t Ret first Ret of the o tho are	of the of the	he date the case incorps by Per	or ( n	h I i st ng ers e of	Number of Sh resh 11 by ex st ng Mem ers at Ds e of Return	
	STRA FFR	NUMBER DATE OF RECISIRATION OF TRANSFER		Nus	ASTRA ISPAR	OF TRAN	DATE	ER	Nun	"	Keth		
	Year	Mith	Day	Prei	Ord	Year	Иtb	Day	Pref	610	Pref	0.4	
Laurel I						19	Var	10		,1 000			
Tomin B			]	1		19	1	22	1	1 000	Ì	١	
Chariton L.						19	May	24		1 000		6 000	
Dalton C					l	19	June	23		500		- 1	
Soames R.						19	Spt	19		l 300		- 4	
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1 reach H	1		[			19	Apr [	20	500		2 000		
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Finch T B			l			1"	-cay	1.6	, 000				
											10 000	10 000	

(Signature)

Fred Smith

EXERCISE XXIV-No 1,

See Advanced Accounts, page 1065.

EXERCISE XXIV-No, 2

# CONSERVATIVE BANK, LID.

141

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BALANCE SHRET ON 31ST DECEMBER 19	s d Property and Assets - Irrehold Premises - Investments, viz.	nent unties	Public Bodies	_	•	Advances Labilities of Customers	for Acceptances as per contra	Bank of England	
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LANCE SHEET	1,500,000	17,580 000	1,725,420	24 300	110,680				(22 140 400
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	apital Subschd & Paid-up	ustomers' Current and Deposit Accounts ,	Customers tebate on Bulls not due,	carried to next account	available for distribution				-

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# EXERCISE XXIV-No 3

See Advanced Accounts pages 1057 (under Notes on the Books) to 1060 also page 1067 (under General Cash Book and

# EXERCISE XXIV- No 4

The Com. Notes and Cherges world, first of al., be recorded in the Receiving Cashier's Counter Cash Book as having been freewed from John Smith. The skip would prote all power at the world from the the critical of John Manh. Contract, Account A recorder and store and store and store and store and store and store and store and store and store and store and store and store and store and store and store and store and the store and the store and store and store and store and store and store and store and store and store and a Received Manh. Received Manh substitute the channel of checkers which and stored liter.

See Advinced A co EXERCISE XXIV-No

	Notes on the Balanci Sheet 1	CURRENT ACCOUNT LLDGLR	
EXERCISE XXIV-Nos 5 and 6	See Advinced A count page 107 (under Notes on the Balanci Sheef )	EXERCISE NXIV No 7	Robest Collins 1) Lupus Avenue Leiglion

Amount

Rate (NTEREST

Pro Day

Balance

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Amount ΰ

Amount

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Details

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Interest amounts of To Balance c/d

To Cheque 282722

lune May Mar 9000

EXERCISE XXIV--No 8,

CURRINT ACCOUNT IFFGFR Frederick Slevens, 27 Moulgomer, Mansions Leurbridge

	Interest	Days Pro- Rate Amount,	-		3 577 4 572 12,506	21 8.565 5% 23 1 320 5 2 475	51 20 196 6 2 548 54% 4 13 -	* Interest on 7 - 7 - Turnover = £1/5/C	
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Samo	Amenne	Dr.	554 5 6	20 - 27	-	40 35 - 6 54 12 2	160 4 2		£1 076 5 -
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and the state of t	Details		To Balance	To Cheque By Cash To Cheque	By Cash Fo Cheque By Cash	Cheque Cheque By Cash	To Cheque Cheque Interest	line 4% on Turnover) By Balance c/d	
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		Amount	9 0 1	
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		Date	19 1an 20 Feb 20 MAr 20 May 20 June 20 , 30 , 30 , 30 , 30 , 30	
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NO 10 CAUKROGER IN ACCOUNT CURRINT WITH MANKSHIRE MANKING CO	Amount	2 010 2 280 420 420 2 010 2 020 2 020 2 035 2 040 2 04
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اد ۾	12	5
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EXERCISE XXIVNo ro	Par	To Bulance Cash . Cash . Cash . Cash . Cash . Cash . Cash . Cash . Cash . Cash . Laterest . Balance
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XEH	Date	19 Jan. 15 His. 15 His. 15 Apr. 15 May. 13 June 18

		Amount Amount Od Balance Days Pro lucts Rate Amount  Dr Cr Cr	6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
		Amount	250 3- 850 170 200 650 249 17 12 13 14 17 17 17 17 17 17 17 17 17 17 17 17 17
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J B		Details	By Cash of Cas
		Date	Apr 1 19 17 17 17 18 11 19 19 19 19 19 19 19 19 19 19 19 19

#### EXERCISE XXIV-No. 12

The positions of the following items in the Balance Sheet are as stated below-

- (1) Current Accounts are the running accounts of business men with the bank, and appear on the Liabilities side of the Balance Sheet
- (2) Investments are sums invested in Government, municipal or other
- gilt-edged accurities and appear on the Asserts side of the Balance Sheet
  (3) Rebate on Bills not due is the unexpired portion of Discount on Bills
- discounted and appears on the Liabilities side of the Balance Sheet

  (4) Short Loans are sums advanced to bill brokers secured by the deposit
- (4) Short Loans are sums advanced to bill brokers secured by the deposit of bills, etc., and appear on the Assers side of the Balance Sheet See also Advanced Accounts once 1075

#### EXERCISE XXIV-No 13

See answer to Exercise XXIV-No 4 (page 204).

#### EXERCISE XXIV--No 14



PROFIT AND LOSS ACCOUNT FOR	THE CAMPITRUFFI BANAIAC CO ITD PROFIT AND LOSS ACCOUNT FOR THE YEAR INDED 31ST DECEMBER 19.		ঙ
To Interest Paid to Cuttomers 1, 25 000 5 large Reat eve Amount extract to SAA Restrement Tong 2, 900 Propit 122,590	By Gross Profit	244 500	
6244 200		6244 500	t

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BANKING	
CAMPFRWELL	
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XXIV-No	
EXERCISE 3	

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П		_				寸	1 1	i –			_	_	
	3			000	637,500	000	4 665 000				_		
BALANCE SHRET AS AT 31ST DICEMBER 19 .	Assurs Cash in hand and at Bank	Money at Call and Short	Notice Imesiments—	Consols (Reverve Fund)	Colonial & Riy Stocks	Date to	Loans and Advances	Liabilities of Customers for acceptances as per	Bank Premises, Furniture	Freehold and Leasehold	Properties .		
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	2 000 000					15,300							
	Liamines Capital Subscribed—	Paid up Capital	in Consols)	Acceptances on account of	Profit and Loss Account-	Add Profit for year		912					

(C.Cab. (2) Renote: (9) Carrel Accounts. Town. The purpose served by rating the accounts mentioned is to have in summarred form a diply survey of the bank. I summar.
See also Advance! Account, page 1087 [ownards.] The sources of information are the relative subsidiary Book and Ledgers. EXERCISE XXIV-No 15

EXERCISE XXIV-No. 16

See Advanced Accounts, page 1075 (under Notes on the Balance Sheet)

#### EXERCISE XXIV-No 17

# THE WEYSIDE CO LTD

19 Jan	Application A/c (Ordinary Shares) To Ordinary Share Cap tal 2/6 per share on 52 603 shares	£ 500	s d	£ 6 500	s d
	Application A/c (Preference Shares) To Preference Share Capital 2/6 per share on 100 000 shares	12 500		12 500	
"	Allotment A/c (Ordinary Shares) To Ordinary Share Capital 2/6 per share on 52 000 shares	6 500		6 500	İ
ĵan	Richard Blank (Vendor) To Ordinary Share Capital For issue of balance of ordinary shares to vendor in part pay ment of pirchase price of busi ness	43 000		48 000	-
Pa	Allotment A/c (Preference Shares) To Preference Share Capital 2/6 pcr share on 100 000 shares	12 500		12 500	-
Jan 15	First Call A/c (Ordinary Shares) To Ordinary Share Capital 5/- per share on 52 000 shares	13 000	-	13 000	-
, 15	First Call A/c (Preference Shares) To Preference Share Capital 5/- per share on 100 000 shares	25 000	-	25 000	-
Feb 15	Second Call A/c (Ordinary Shares) To Ordinary Share Capital 5/ per share on 52 000 shares	13 000		13 000	-
" 15	Second Call A/c (Preference Shares) To Preference Share Capital 5/- per share on 100 000 shares	25 000	-	25 000	-
Mar	Ordinary Share Capital To Forfeited Shares A/c Allotment A/c First Call A/c Second Call A/c Being 500 shares of f1 each 15/ called forfeited by J Smith as per Resolution No	375			10 -
		£16° 375	-	£162 375	+

BAHANCE SHEET AS AT 28TH FEBRUARY 19 THE WEYSIDE CO LTD

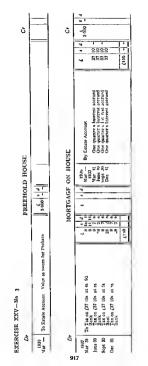
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	3			\$2 000 fully paid \$2 000 15, per whare 100 000 ealled up}		H6,625	(161 687 10

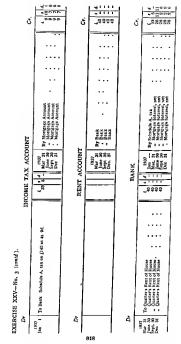
#### EXERCISE XXV No 1

# STATEMENT SHOWING ESTATE DUTY AND INTEREST PAYABLE

	Du y and In crest Payable on Oricinal Affida 11		Addits	t v		Aggregation			
Rea ty Personalty	2 000 17 000	,	d	\$ 000	3	4	2 700 20 000	4	4
Less Debts 150 Fun rai Expenses 60	210					IJ		_	
Duty at 8 per cent ps d on	€18 790	L	Ш	₹3 700	L		€22 700	L	L
£18 790 at 8 per cent Add interest on duty on Ret personalty of £16 790 = £1,343 4s at 3 per cent per annum from 1ss October 1936 to 1ss November 1936 (31 days)	1 500	8	5						
Duty on £3 700 at 9 percent Add t onal Duty on £18 790 at 1 per cent	1 506	12	٥	333 187	18				
Add laterest on duty of 1 per cent net personalty	ľ	П	ĺĤ	50	28	11		H	1
on original affidavit (£16 790) a £187 885 at 3 per cent per annum from 1 1 October 1936 to 1st January 1937 (92 days) Add Interest on duty of 9 per cent additions not personalty on correct we affidavit (£3 900) — £270 at 3 per cent per annum				1	8	5			
from 1st October 1936 to 1st January 1937 (92 day		Н	Н	2	П	to			
1907 (82 02)	£t x06	12	s	£524	8	3	£2 03t	1	8

	Bank	7	- 1	÷		-	14				_	1	-1
CASH BOOK	Capital Ba	•	ğ	3	123	6	\$ 000						22.93
		-8	-			$\overline{}$	1.4					TS	Ţ
		-	•	_'	<u>.</u>	•	1.4						
	Income Cap	3	98	8	123	ŝ	5,000					18	rating.
		****					9					10	
		-	ž							_	_	12	I
	- Inc	د				_	42					15	4
	Toucher bo												
		By Estate Duty and	, Legal Charges in	obtaining Pro bate Debts due at	death Funeral Ex-	, £4,901 19s 2d 34	Balances, c/d						
		1937 Jaq 31	Feb 7			Mar 3	٠.						_
		10	Ξ			-		<del></del> _	T	is.	-	Ŧ	17
	- 3	-	Ē	-1			~~~	- 1	'	15	-1	181	돈
	Bank	<b>₹</b>	8	12	ដ		45	120	8,000	31	920	£6 223	C#2
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				<u> </u>				2		ĸ	-	21	
	The last	4	_			_				£		542	<del>2</del> 2
	soucher No									_	_	_	
		To Balance Courter's Interest	Cypital 887 days	Cath in House Charters Rent dus Christman	Maal Divideng of	tax on 1000	December 1938	Ltd., 10 Sist Jan naty, 1933, for Capital, 315 days Income, 30 days On account of As	ship fattrest thereon at 5 per crat per	Sondry amail in-	Vestments	1	b/d parameter b/d
à			-	~e	-5	_	2	78		N		_	7
7 ]	J	Jan .		-	-		2	**		Mar			- [
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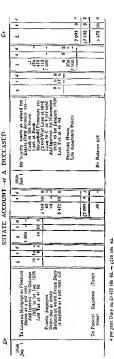
# EXERCISE XXV-No 4

interm day a and or 2% on £2 000 Stock. Less lax at 4s. 9d. in the £	£ s d £ s d
Final davidend of 4% on £2,000 Stock  Less tax at 44 9d in the £	80 87 87 10
This should be apport oned as follows— Capital 3 monits Income 9 months	2 17 6 65 12 6 £91 10
Of the abo e sum attributed to cap to of there has already been so attributed	22 17 6 2 6 8
leaving to be a located to cap tal from the final div dend	£2 10 11
Of the final daydend of £61 there should be a located—to Capital to Income	2 10 10 5N 9 2

EXERCISE XXV-No 5.

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I	1	á  -		-	- 1	- [	- 1			Ú	ASE	CASH BOOK	¥							C	ځ	
1	- 1		- April A	Voucher	= g	da come	0	Caputai	-	_ #	Bonk				adapo No	100 entrop	-	Capital	1 3	, 🔚	Na Age	1
ď	750 g		e		-3	10	7		20	-			1938		1	E	-	1.	-E	_[	-	
-			Dividend of 5% on 1,000 f.1			_	•	9		\$	-	$\overline{}$	2 %	By Estate Duty on Personally and Interest thereon Income Tax deducted from		. =		7 P.	-		743	• -
920		81	Inter at on Loan of \$500 at			_	n	38	_;_	8	55	, td	φ	Capital 301 days Income 63 days Bank Losn repaid and		6 7	=	29 12			- 9	
≆.	Mar 19	22	Capital 153 day. Income 20 days Bank Loan			4	2	8 92	4 1	750	27			Balances c/d		10	1 00	381	15	732	010	6 (D)
Ψ.	Apr	**	Capital 37 days Income 54 days  Quarter a inference (2 000 3% Local Loans for the		8	1 2		4	47	\$		_										
-					20	- 6	3	9 990	9 1	1 046	<u> </u>	<b>©</b> 1										
₹	ti V	•	To Baiance bid	9 0	818	0 3	-	80 80	9 4	184	61 2	101			-	181	11~	8	15	1,900 16 11 1,934		0
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EXERCISE XXV-No 6

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#### EXERCISE XXV-No. 7.

				Leg	acy	N Leg		De Pay Out Est	able of	Tot	
To Widow To Son	:			10 500 5 008	1	10 000 5 000	4 2	f00 50		10 100 5 050	: 4
To Sister Less Legacy Duty			500 25	500		475			11	500	1
To Gardener Less Legacy Duty	•	;	100.	100		90	14		Ш	100	
To Executor		•	_	100	ļ.	100	- -	10		110	- -
Residue to chanties  Less Legacy Duty	:	•	5 140 514	3,140		4 626		180		5,140	
			-	20 840		20 291		160		21 000	7-
Legacy duty payable duction	MCOA	erable	by de	1 1		1 1	11	549	M		1
Total Legacy Duty pay	rable				П		_[_[	709	-13		4
			i	İ	14	20 291	_ _ .	819	- 1	21 000	

# EXERCISE XXV- No 8

# STATEMENT SHOWING EVENTUAL DIVISION OF THE ESTATE

Balance of Estate				*	4	30 OC	•	4.
Less Charge on Residuary Estate for Widow Personal Chattels for Widow				1 500				
Personal Chatters for Wallow	•	•		1 000	_	Z 500		_:
						27 500	-	-
One-balf to be beid upon trust for Walow for Life			•			13,750	-	_
Remaining half upon Trust for Issue						13 750		_
Atd Advance to Deceased Soo brought into Hotchp	50					7 500	-	-
Advance to Surviving Son brought futo Hutchp	ot.					4 500		
						£25 750	-	-

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No.
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	each
	7
	6
6	2000 Shares of £1 each in Di
RCISE XXV-No. 9.	2000
CISE	Ļ

eshs Ltd

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2.	**	
Prine pal	2 300	
_	-	9
P P	-	7
Dyydendy	-	89
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Ti Ci		
Nomina	3 000	
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- 1	- 2	Ş
	Nov 30 To Estate Account—	tonut or transport

8

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l dividend of

Less Tax at per cent

35 (2

60 3 Dyndends

7 2 22

1 250

000,1 88 000 73

1000 shares sold at 509 shares pold nt Interim Dividend of cent free of tax on

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e. Cafried down

hares

(89 7 8 (23,300 282

Principal

Nominal

ΰ

Dendends Payable on

	Feb 1 By Cash—	Cash 25s 5 per 1000	Elalance	
ĺ	7035 Peb 1	Mar 31 July 31	Now 30	
	- 00c		10	
	2 300		7 % (2 810	
Ī	- °		141	ı
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l	<b>,</b>		69)	ĺ
Ī	4			1
ľ			1'1'	1
ľ	8		\$000	
	Nev 30 To Estate Account— 1973 2000 bitres at 231 Nov 30 A Transfer to Income Ac		Dec 31 To Balance, brought down	
	Nev 30 1934 Nev 30 Nev 30		Dec 31	*

Ave — The fold there used math's belonght in at 1 of (25.30 \_ 1.15 fol ) and the captal prior resulting carried to Latte Account in this is dear entaility by the best become in combact with "speer you're to please and it is considered by the property of the party o

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EXERCISE XXV-No to

# VISITORS LEDGER 17th JANUARY 19

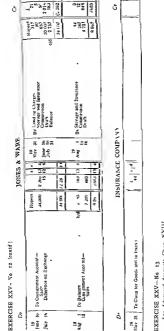
	R	oom 1		Zoout	2	j j	toom	3		Total	
Brought forward Apartments Breakfast Lunch Tea Dinner or Supper Wines Spirits Cigars etc Baths Sundres	f .	8 2 4 5 10	7 6 6 6 6 7 7	5 2 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	<i>d</i> 6 6 8	f	10 2	6 6	63	2 13 7 4 1 7 12 15	d 6 6 6 - 4
Cash Allowances Transiers Carried forward	3	6	1	14	9	i Ei	13	6	4	13	6 10

# EXERCISE XXV-No 11

DF	SUSPENSE ACCOUNT	CF
To Difference to Tr al Balance J. Jones R. Foley	1	3 lt 3 d

	L×		=			10		,		111
	-	1 2		_		15	1 00	1		100
Ċ	-	2,266				127 22	61	89		6482
	Cases	. 83	•	_				æ		
		- 3	3				P/q			
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	1	٠					•	•		11
	1									11
		¥ .						\$		- 1
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	June 1	Section Represent 1s och					* .	8		Ш
н	By Insurance Claim-	Sales— 34,000 Rupres at 1s 4d Stock					See a	22		- 1
ND		• •					4			- 1
ĕ	19 May 31	2 %								7
CONSIGNMENT ACCOUNT		11					Aug 1 Dy Reserve			_
ij	79 1	210 1	a w	9		0	=		10	2
S	2 126 5	32 Z	100	\$	**6	72,721 13	11 61 911	3	192	£
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		77	I É		E P		Į.	1000	13	
		.1=	one o		two trans		Tang		Super Spire	1
		Landing Charges	Sociate and indicate—  80 Capar for one month = 80 Rupers at 13 40  Commission on 24 000 Pages	Reserve—	18 Chen for two months - 36 Rupees Al 1s 4d Net Profit to Profit and Loss Account		Stock Stores and Insurance— b/d	. 1	74% on 7,200 Rupers = 180 Kupers at 1s 4d Nel Profit to Profit and Loss Account	
	ğ	anding Cha	Sources and in	ΨĮ	Ser.		Te an	1s 4d •	190	1
	Special	Signal Signal	Se House	1	2 2		To Storag	of the co	-	1
	2			æ			Š	_=	-	
ā	z.	=	10	=			-	22		1
	Apr 15	May 4	June 16	July 41			A.55			1

. Net charge 18 at 1a 4d - £1 4s, 1e, £3 12s - £2 8s



Aug 18

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â 19 18 19 July 15

See Advanced Accounts Chap XVIII



### FXERCISE XXV-No 14 (contd )

				П	1		Е
19 May 31	To Balance knowled down Debit Balances 28th February 1977	2004		ď	630	ď	[4
	Less Credit Balances 28th February 1977	43	17	6	*6	12	
	Difference				£10	_	Ľ

The difference might arise from-

- (a) The extraction of a balance being made at ff0 below the actual amount (b) An addition on the debt side of a Personal Account baving been made f10 too little the Account being balanced and the balance carried down f10 below the true amount.
  - These are the most likely errors. The difference may also arise from-
- (c) The omission to post an item of £10 from the Sales Day Book or the posting of an item of £5 therein to the credit of the Personal Account or a blind entry on the credit side of a Personal Account of £10 such as for a blind debt not debited to Bad Debts Account
  - (d) A composition of two or more errors

# EXERCISE XXV-No 15

- (a) Write off an appropriate amount for the year and treat the remainder as an asset
  - (b) Treat as a reserve in the Balance Sheet on the babilities side
- (e) If thought fit note on the Balance Sheet as a contingent hability but the amount should not be incorporated as an actual liability in the effective figures for agreeing the Balance Sheet
- (d) Deduct the reserves from debtors and creditors respectively in the Balance Sheet debting and crediting the Profit and Loss account along with the actual discounts subject of course to taking into account any reserves existing at the beginning of the year.
- (c) A profit on sale of old business premises may be treated as a reserve in the Balance Sheet or taken as a profit in the Profit and Loss Account as it is possible the premises have been over depirecated in the past and crediting Profit and Loss Account would be correcting such excessive depreciation. The former method however is probably to be preferred.
- (f) The same method of placing to reserve as in (e) might be adopted g Ph e the profit to reserve and include in the Balance Sheet on the Babilities and

EXERCISE XXV-No 16.

	PROFIT	AND L	Joe sec	TRADING AND PROFIT AND LOSS ACCOUNTS OF TRACES.			
Di.	2	R THE Y	AR END	FOR THE YEAR ENDED 31ST MARCH 1937	IND SMI	TH	ť
	Brighton	London	Total		Brighton	London	Total
To Stock 1st April 1936	+	7390	7 380	No.	-	-	-
Gross Profit earlied to Section II	16 783 4 903	75 275	23 345	Stock 31 March 1937	2 962	92,064	11 403
	(21 690	£101 102	£122 795		73, 500	201 100	1
10 Octobra Salarre and Wages Manager's Salary	8.50	6 195	8 025	By Gross Profit brought 189m Section	1	501 10:3	
Track and Office Expense	95	2 200	560	Discounts	28	204	273
Travellink Expenses	ধ্	883	282				
Mad Debts Diepteralion of Motor Vans	28.5	391	2.93				
interest Charge in respect of Capital		376	\$				
Manager's Commission			35				
Ill Botton on Betting those without the	123	4 2/19	4 396				
	64.843	(18 644	(23 62)		14 043	10000	
To Interest on Capital-				4	1		April 1
Jones Santh		286		By Net Trading Profit from Section i- London Branch Bruthton Branch		4 269	
Ver Position		21.0	1,450	Internal on Court of the Court		121	4.794
Brown Jones Smith		1 938		Branch processing at Drighton			354
		2	4400				
			(475)				

EXERCISE XXV-No 16 (contd.)

BALANCE SHEET OF BROWN JONES AND SMITH AS AT 11st MARCH 1937

77876		1000		1	THE PARTY OF THE P		
LIABILITIES AND CAPITAL	CAPITAL			_	Assers	,	
Trade Creditors Reserve for— Pare			•	3,177	Cash to Hand Cash at Bunk	333	, :
General Expenses			288	973	sun iry Debtors Lass Reserve for Bad Debts	9747	-
<u> </u>	Вгози	lones	Smith		Stock m Trade— I omfon Brushton	9 041	/7
Current Account 1st April 1936	\$38 200 200	218	, <u>s</u>		Insurance prepaid Furniture and Leu proent. London. Les Depreciation	370	25 SE
Share of Profit	1 938	782.1	22		Furniture and Equipment Brighton	200	200
Less Drawings	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	926	100		Zers Deprete at on	88	-
_	857	370	397	1 534	Motor Va. s. London	4 700	813
Cap tal Account 1st April 1936	13 000	2 000	2 000		142 Add Cons	1 200	
!	13 000	8 000	2 600	23 000	Less Deprec atton	1 250	989
1					Motor Vans Brighton Less Deprecation	2 200	-
							0001
				_			
			_	FS9 827			0.00 0.00
				-			240.00

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#### NOTE ON INCOME TAX EXERCISES

The workings are based on the following reliefs and allowances, so that adjustments will be necessary to arrive at the correct figures based on the latest Finance Act, though the methods of working shown indicate the correct procedure—

Earned income relief	•			one tenth (Max (150)	
Personal Allowance-				(114x £130)	
marned man				4140	
			•		
single person .				£80	
Children s allowance				, each (50)	
Housekeeper allowance				. 750	

#### EXERCISE XXVI-No t.

Examples of Income Tax Returns showing allowances, reliefs, etc., as required in the question are on pages 1150-1-2 of Advanced Accounts

#### EXERCISE XXVI-No 2.

#### RETURN FOR INCOME TAX

Earned Income							800	5_	d _
Deductions-					-	en			1
Earned Income Relief (1) Personal Allowance for Wife	and	Self	:	•	: 1	101	ł		l
Children s Allowance (3)					. 1	50			
					_	- (1	370	-	
Taxable Income							£430	Ξ	Ŀ
						_ 11			

### EXERCISE XXVI-No 3

# RETURN FOR INCOME TAX

Earned Income .					440 -
Deductions-	•	•			1 1
Larned Income Relief (%)		-		· £44	
Personal Allowance	-			. 80	1 1
Children's Allowance (3)				150	1 1
Housekeeper s Allowance	•	•		- 50	324
Taxable Income				. [	£116

#### EXERCISE XXVI-No. 4

The method described in the question is not considered to be correct as the result is that tax for the period from 5th April 1934, to 5th April, 1945, is

### EXERCISE XXVI-No 4 (con'd)

charged against accounts for the period from 30th September 1934 to 30th September 1935

An alternative method that would be more correct is indicated in the following account—

Dr	INCOV	IE TA	K ACCOU	UNT	Cr .
1935 Jan 6 Sept 30	To Bank 1934-35 tax paid Reserve for proportion of tax due for 1935- 36 for period from	600	(931 Oct )	By Reserve for proport on of tax due for 1934 3s for period from 5th April 1934 to 30th Sept. 1934	£ 30
	5th April 1935 to 30th Sept 1935	200	1935 Sept 30	Profit and Loss A/c	501
		(900	1935 Oct 1	By Reserve b/d	£306

ltem		Reasons
	Allowed	
Income tax	No	It is not an expense of running the business but an amount payable out of profit: when ascertained
Loss on sale of motor car	Yes in some cir cum stances	If the car is replaced by another the amount of the actual loss less wear and tear already given is allowed if the replacement cost is not less than such sum as it is a working loss on plant. If the car is not replaced the loss is not allowed at it is a capital loss.
Debenture interest	No	Tax must be paid and deducted on payment of the interest the company thus not bearing the tax but the debenture holders to whom the interest is income
Depreciation of plant	No	This is a capital loss but in the case of plant a wear and tear claim can be made
Duectors fees	Yes	These are an expense of running the business and represent moneys paid for services rendered
Donation to the building fund of a hospital	No	This is not a cost of working the business but merely a charitable donation
Premium on loss of prof ts policy	No	This is not regarded as necessary for working a business but is paid for an indemnity against loss of profits. If however an undertaking is given to bring in for assessment any sums received under such a policy premium will be allowed.
Defalcations by cashier	Yes	Such a loss is a normal trading risk and therefore a normal trading loss

934

Interest on debentures, because it is an item on which far is recovered

# EXERCISE XXVI...No. 6

Items disallowed are-

by deduction on payment, and is kept in charge on the company on the Depreciation of plant, because it is a capital loss (Wear and tear allowance may, however, be claimed). Goodwill written off, because it is a capital loss,

Bad Debts Reserve, unless specific, because it is an estimate of a loss on an arbitrary basis

Subscriptions and donations may or may not be allowed, according to circumstances. The question to determine is whether the items are expenses wholly and exclusively laid out or expended for the purposes of trade with certain possible exceptions such as hospital subscriptions

#### EXERCISE XXVI-No 3 DETHING FOR INCOME TAY

principle of taxing profits at their source.

	AA.	t OK.	. 10	10 120	COWE	1111	·	
Earned Income Investment Income	:	:	:	:	:	-	500 113	£ 613
Deductions— Earned Income Relie Personal and Wife's	Woll.		:	:	:		50 140 103	
Children's Allowance	{2}	٠			•	1-	100	290
Taxable I	ncom	ė,	•	•	•	·		£323

Appropriate Rate = Total Tax

#### EXERCISE XXVI-No 8

# RETURN FOR INCOME TAX

Earned Income			_	.	£	4,108
Earned Income Rehef (Max ) Allowance for Wife and Self Child's Allowance	:	:	:		150 140 50	340
Taxable Income .				-		£3,768

Tax Appropriate Rate =  $\frac{1}{3.763}$ 

EXERCISE XXVI-No. 9.

This subject is fully dealt with on pages 1159-1162 of Advanced Accounts (under "Wear and Tear Allowance")

#### EXERCISE XXVI...No ro

Details of items not allowed as charges against profit when making an adjustment of the Profit and Loss Account for Income Tax purposes are enumerated on pages 1147 and 1148 of Advanced Accounts (under Rules for Calculating Profits )

Note The question of items allowed (or not allowed) is now a subject much within the discretion of the Inspector examining accounts submitted

EXERCISE XXVI—No 11
STATEMENT SHOWING ALLOCATION OF ASSESSABLE PROFIT
BETWEEN PARTNERS

	TCTAL	В	J	K
Interest on Capital Partnership Salaries	£600 1 200	£250 500	£200 400	£150 300
Share of Assessable Profit divisible	£1 800	€750	£600	£450
equally between partners	7 200	2 400	2 400	2 400
	€9 000	£3 150	€3 000	£2 850

#### FIRM S ASSESSMENT

Assessable Profit Deductions—	£	9 o <b>o</b> o
Earned Income Relief (Maximum to each Partner) Personal Allowance (£80 to each Partner)	450 240	690
Taxable Income		€8 310
	11 3	

#### PARTNERS LIABILITY

		Total	В	1	к
Share of Assessable Profit Each Partner— Earned Income Rehef Personal Allowance	£150 £80	9 000 690	3 150 230	3 000 230	2 850 230
Taxable Income		£8 310	£2 920	£2 770	£2 620

### EXERCISE XXVI-No. 12.

(i) The reserve for income tax should be made by apportioning on a time basis the tax payable on the two assessments falling within the company's financial year

Taking the company's year ended 31st December, 1936, the assessments lailing within that year are 1935-6 from 1st January, 1936, to 5th April, 1936, and 1936-7 from 5th April, 1936, to 31st December, 1936

In determining the liability, the ground-tent and debenture interest would fall to be added back to the profits stated, but the net Schedule A assessment on the property on which the ground-tent is paid should be deducted therefrom Assessments would arise noder both Schedule D and Schedule A, both of which should be appartioned on the basis stated above. As the tax for should be respected for all sills becember, 1986. The tax recoverable by deduction on the ground rent, debenture interest, and dividends does not affect the reserve, but meetyl the amount of tax to be charged against profits.

(a) The deduction of expenses wholly, exclusively, and necessarily incurred in the performance of duties, the emoluments for which are assessed under Schedule E, may be deducted from the emoluments to be assessed, but, in practice, the taxpayer is usually required to establish the right to such deductions at considerably regater toroble than is called for under Schedule D

### EXERCISE XXVI-No 13

Robert Laws may appeal on (e) and (d). The question of depreciation is now more closely extamined by an Inspector of Taxes as croumstances which determine the allowance in regard to it are not the same in all cases, and an appeal would receive consideration

If the subscription to a local hospital was in the nature of a donation to the institution for purposes of securing treatment to his own employees, the contribution would be allowed

#### EXERCISE XXVI-No 14

The items enumerated are dealt with as under-

(a) 5 per cent on Sundry Debiors is disallowed and would be added back
 (b) Deposit Interest would remain as a credit item in the Account

(c) Premiums received on an issue of shares would not appear in the account, being an item of a strictly 'capital' nature

being an item of a strictly "capital" nature (d) Lo ses by embertement would be disallowed and added back, presuming, of course, an item for "premium" on a third party tisk policy was already in the account Otherwise, the item would be the subject of careful consideration by the Inspector of Taxes before being allowed as a charge against profits

### EXERCISE XXVI-No 15

Items (a) and (d) are items of a 'capital' nature and do not affect the Profit and Loss Account

Preliminary Expinses are not viewed as a business expense, and would be added back

Depreciation of Seamers is allowed by the Income Tax authorities at 4 per cent on "Prime Cost". Therefore, if 5 per cent is charged on "Prime Cost".

the difference in charge between the percentages must be added back

#### EXERCISE XXVI-No 16

# RETURN FOR INCOME TAX

Net Profit as Profit and Loss A c	£	5	ď	£ 977	5_	ď
Interest on Loan	25	-	- 1			
Interest on Partners Capital	80	- 1	- 1	I	1 1	
Partner's Salary	350	-		[	i I	
Amount without Goodwill	50		- 1			
Charitable Subscriptions .	28				1 1	
·				533	l - i	
	U.	l				-

The firm will be assessed on £1510 subject to the usual abatements and reliefs to Partners. Wear and Tear (if any) would be deducted from above figure.

#### EXERCISE XXVI-No 17

### RETURN FOR INCOME TAX

750	£
100	850
75   140	
100	
25	
	340
	£510
	100

The taxpayer is entitled to an abatement from the tax chargeable for his payment of \$\int 20\$ Insurance premium

#### EXERCISE XXVI-No 18

# RETURN FOR INCOME TAX

Total Income from all Sources	£	8 80s
Deductions— Farned Income Relief (Vlaximum to A and B) Personal Allowance B Wife and Self Allowance A	300 89 140	
Wife and Self Andwance A		520
Taxable Income	ŀi	€8 288

There will be an allowance for A on the insurance premiums for A and his wife

#### EXERCISE XXVI-No. 19

#### RETURN FOR INCOME TAX

Net Profit as Profit and L Add Deductions Not Allow						£	ź <sub>80</sub>
Income Tax on Business Life Assurance Premium	Pr	emișes	:	:		55 15 40 75	
Interest on Capital . Ground Rent		٠				75	185
Less Dividends (taxed) ,. Rent of Premises	:	:	:	:		60 220	965
Taxable Profit					I		€685

#### COMMENTS

The above Return is based on the conclusions that-

(1) Travelling Expenses of Staff and Proprietor were incurred in the prosecution of matters concerned with the business and

(2) Bank Interest was on a temporary overdraft, or other bank accommodation and not being annual interest

(3) The Rent of Premises being net assessment as for Schedule 4, and calculated on Income Tax at 5s, 1c #55 x 4 = #220

# EXERCISE XXVI-No 20

The wages calculations should be made by a wages clerk and recorded in the Wages Book A cheque should be drawn for the total wages payable and, when caabed, the wages packets made up to paying wages, a responsible person should make the distribution the breman for according to the state of the person distributing and the respective foremen. The duties of wages clerk should, at various times, be performed by different persons in order to eliminate as far as possible collusion between the wages clerk and employees. The time sheets of employees should be vouched by the proper of the person wages calculations are made. An eccasion wage the persons wages calculations are made an eccasion with a view to preventing frame.

# EXERCISE XXVI—No 21

#### DENSIEV'S LEDGER

Dr	P PENSLEY'S LEDGER R RUSSLE	Cr			
19 Mar 1 To Bills Payable	250 s d 19 Max 1 By Bills Receivable	£ 250 s d.			

$D\tau$	BILLS RECEIVABLE ACCOUNT	Cr

	-			 		 	-	_
19 Mar	1	To R. Rubble	250	 19 Mar 1	By Cash	£ 250	-	-

EXER	cise xxvi—i	No 21	(contd
D	,	В	LLS P
19 June 4	To Cash		£ 250

o	21	(car	ıtd)
	B	TIS	PAYABLE

2	Account	
_		

 			-
٤.	à	. 19	

Mar 1

Nac 1 By Cash

Mar 1 By P Pensley

BILLS PAYABLE ACCOUNT

BANKER'S DISCOUNT ACCOUNT

CASH ACCOUNT (Bank Column)

Mar 1

CASH ACCOUNT

By Bankers Discount B lis Pavable

By Bills Receivable

By Bankers Discount

B ils Payable

Cr

£50

C+

 $C_{r}$ 

Cr

Cr

250 16

 $D_{r}$ 

June 4 To Cash

Dr

Di

19

Mar 1

To Cash Slar 1

To Bills Receivable

19 Mar 1

BILLS RECEIVABLE ACCOUNT To P Pensley

EXERCISE XXVI-No. 22 SPECIMEN OF COMBINED SALES AND BOUGHT JOURNAL.

Date	Particulars	Fol.	L		c	.	Bo	eght	Sale Book	
19			£	s d	£	s d	E	s d.	£	s d

#### SPECIMEN OF CASH BOOK (CREDIT SIDE)

Date	Particulars.	Fot	Disc	ount	c	i5h	Ва	nk		Cr*d Led	ton ger	1	Geo Led	eral ger
19			ţ		£	s d	£	•	4	ć	*	3	£	- 4
			_	(E)		e								

#### (DEBIT SIDE)

Date	Particulari	Fol	Disc	ount	Det	ails.	Bs	ok	S: Led	les ger	Gen Led	erai ger
19			ć	1. 4	£	• 4	Ę	s d	£	: d	٤	s d.

#### EXERCISE XXVI-No 23

The books of account deemed necessary, and the allocation of duties in connection with them, would be as follows-

Books

Member of Staff

Cash Book General Ledger Chief Clerk or firm's Accountant

Private Ledger

Purchases Book Sentor Clerk Sales Book

Purchases and Sales Ledgers

Petry Cash Book Jumor Clerk

The Jamor Clerk subject to supervision by Senior Clerk The Senior Clerk subject to supervision by Chief Clerk who would advise generally on detail work of office

#### EXERCISE XXVI-No 24

- (a) Floring Assets are assets held for purposes of trading such as Stocks Debtors Bills etc
- (b) Fixed Assets are assets acquired for purposes of earning income such as Plant and Machinery Horses and Vans etc
- (c) Preliminary Expenses are expenses incurred on the flotation of a company such as Legal Expenses Stationery Advertising etc.
- (d) Self balancing Ledgers are ledgers which are made capable of producing a Trial Balance independently. The Trial Balance is possible by the introduction of an Adjustment Account which in its nature is a rotal account showing the agreeage of triansactions only on opposite sides to the
- accounts in the Ledger being proved

  (c) Watering of Stock means that the NOMINAL value of the Capital of a
  company has been increased without the corresponding increase in receipts
  from shareholders.
  - (f) Allonge is a slip of paper attached to Bills of Exchange for further

# EXERCISE XXVI-No 25

A Cumulative Preference Share is one which carries with it a prior con sideration for a dividend—or share of the profit—also a right to arrears on dividends out of future profits

The arrears on dividends referred to do not affect the annual accounts of a company but a memorandum to that effect may be shown in the Balance Sheet

#### EXERCISE XXVI-No 26

See Advanced Accounts page 830 for Specimen of Cost Sheet of a manufacturer

#### EXERCISE XXVI-No 27

See Advanced Accounts page 981 (under Difference between a Statement of Affairs and a Balance Sheet )

#### EXERCISE XXVI-No 28

The adjust nents necessary to show the correct position of the Birchets Mineral Water Co 1 td with their customers would be as follows—

19	(1) Sale or Reti m Account To Sundry Debtors To reduce the charge for supplies of minerals to actual amount supplied	
i	(2) Provision for Discount on Debtors To Unscount Reserve on Debtors Charge against profits of snm equal to agreed 10% discount due to cus tomers when accounting for sales	

The above entries properly incorporated in accounts will present the true

### EXERCISE XXVI-No 29.

See Advanced Accounts, page 151 (under appropriate headings).

#### EXERCISE XXVI-No. 20.

The financial position of a concern is gauged according to the position in which an individual stands toward the concern whose balance sheet is the subject of examination

(a) A banker considers the financial position of a concern sound when its floating (or circulating) assets are adequate to meet its current liabilities or. to put it another way, the ability of a concern to meet its liabilities on a forced

realization (b) A shareholder considers a concern financially sound whilst it can maintain

its capacity to earn profits, and betrays no apparent embarrassment as regards the relation between its habilities and the adequacy of assets to meet them

(c) A debenture holder considers a concern financially sound according to

the liquidity of its available assets

(d) An auditor takes a more exact view of matters in determining the financial position of a concern. An auditor will closely examine the individual items, both assets and habilities, their evaluation being arrived at after searching investigation of relevant documents. A sound financial position, after a close study of all important matters has been carried out, is presumed on the following factors-

(1) Fixed assets are maintained at their full earning valuations

(2) Floating or circulating assets are adequate to meet floating liabilities (3) Reserves have been created which are sufficient for contingent and future liabilities without impairing the general financial soundness of the concern

# EXERCISE XXVI-No 21

#### CONVERTED CHICAGO TRIAL BALANCE

			Rate of Ex change						
Head Office Account				£	5	d	f 6,502	s 14	d 6
Remittances Account				2,786	6	11	8 .	(	١
Stock, 1st Jan			4 86	I 646		111	21	ł	ſ
Fixtures and Fittings			4 86	562	19	3	II .	J	ł
Purchases			4 92	3 627	4	8		١	
Sales			4 92	ĺ.	ì		7,277	12	10
Sundry Debtors .			5 00	3 542		- 1			ł
Sundry Creditors .			5 00				412	8	- 1
General Expenses .			4 92	1 544	18	4	84	19	2
Discount		- 1	4 92	!		1 1	84	19	-
Cash .		- 1	5 00	92	- 1	- 1	ì l	- 1	
Bank .	•	- 1	5 00	1,090	- 1	- 1	14	- 1	2
Profit on Exchange .	•	i		, ,			14		
				14,291	15	-	14,291	15	1
		- 1	4	14,291	13	- 1	14,201	10	

# EXERCISE XXVI-No 31 (contd)

# JOURNAL ENTRIES

19 Dec 31	Remittances from Branches	2 786	S	d 11	£	s	d
	To Branch Account	- 700	Ľ	Ü	2 756	6	11
, 31	Branch Teading Account To Branch Account Stock 1st Jan Purchases 21 046 5 11 Purchases 3 627 4 8	4 673	10	7	4 673	10	7
, 31	Branch Account To Branch Trading Account Sales £7 277 12 10 Stock 31st Dec 1 005	8 282	12	10	8 282	12	10
, 31	Branch Trading Account Branch Account To Branch Profit and Loss A c For gross profit and discount received	3 609 84	19	300	3 694	1	5
, 31	Branch Profit and Loss Account To Brach Account General expenses	1 544	18	4	1 544	18	4
, 31	Branch Account To Brunch Profit and Loss 4/c Difference in exchange	14		7	14		7
31	Branch Profit and Loss Account To Head Office Profit and Loss A c i or NFT 1 rofit transferred	2 163	3	9	2 163	3	8
	]	23 158	14	4	23 158	14	4

Dr	Res	HEAD OFFI			Cr
c 31 To Bran	ch A/c	2 786 6 11	19 Jan Dec	By Ca <sub>b</sub> b	2 796   6   11

Dr	BRANCH ACCOUNT	Cr
Loss 4 e	and and 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	£ s. 2 789 6 4 673 10 1 544 18 5 879 11 14 884 7

Dr

19

Dec 31 To Branch Ale-

19 Dec 31

By Branch Ajo-

Salms

Stock, 31st Dec.

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# EXERCISE XXVI-No. 31 (contd)

Stock Purchasen

Branch Profit and Loss A/c

ES 202 [27] 10]	£8 232 12
Dr. BRANCH PROFIT AND LOSS ACCOUNT	C+
10 Der 31 To British Affic- General Expenses   334 lbs   2 lbs   59 Fixack Affic- Not Product to lead   2 lbs   2	3 \$79 2 84 19 14 23 708 2
BALANCE SHEET AS AT 31st DECEMBER, 19	
Lapartus Society Criticises Exacts Assertint  \$ 12	1 182 3.542 1 005 561 19 16,391 19
CHICAGO BRANCH LEDGER  Dr. REMITTANCES FROM HEAD OFFICE	Cr
Jan-Dec. To Cash , Jan-Dec 31 By Transfer to Head Office	14 000
Dr HEAD OFFICE ACCOUNT	Cr
Poc. 31 To Transfer from Rens 1 100 Dec. 31 By Relator tancer Account 200 Dec. 31 By Relator Port and Lor Acco	\$ 32 692 10 717 \$43 319

# EXERCISE XXVI No 31 (contd)

		r and Loss Account 31st December 19	Cr
To Stock 1st Jan Purchases Bala ce Gross Profit c/d	\$ 5 089 17 846 1 900	By Sales Stock 31st Dec	35 806 5 025
	240 831		\$40 831
To Ge eral Expenses Balance Net Profit to Head Office Profit and Loss Account	7 601 10 717	By Trad ng Account b/d D scounts Rece ved	17 900 418
	2 8 318		\$18 318

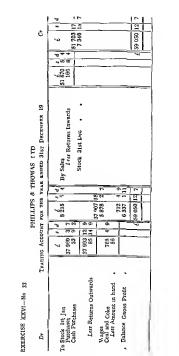
# BALANCE SHEET AS AT 31ST DECEMBER 19

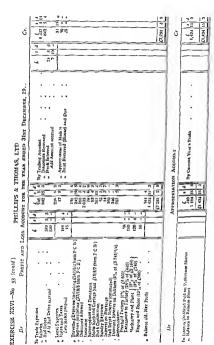
LIABILITIES, Sundry Cred tors Heed Office Account	\$ 2 062 29 319	Cash Assets Bank	\$ 460 5 450 5 910
		Sundry Debtors Stock F atures	17 710 5 025 2 736
	\$31 381	}	\$31 381

EXERCISE XXVI-No 32

	ORDER
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PHILLIPS & THOMAS LTD

BALANCE SHIRI AS AT 31ST DECEMBER 19

CAPITAL AND LIABILITIES	3	.0	42		74	PROPERTY AND ASSETS	\$ 008 S	- P		.e.	
Nominal Capital— 8 000 6% Cumulative Preference Shares of £1 each		_	8 000			90	88	Ť	5 742	_	
14 000 Orch Early Sparess of £1 earth		7	22 000		1,1	Dwelling house. Fathers on to factory Less Deprecation	517	-			
System Capital—8 000 6° Cumulative Preference States of £1 each 111 pull planty States of £1 each 14 not Challany States of £1 each fully paid	8 000	<u>'</u>				Print and Mach nery Add And thous	1.04				
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d.	
THE STAMBBIDGE PUBLISHING CO	200
EXERCISE XXVI-No. 34.	-

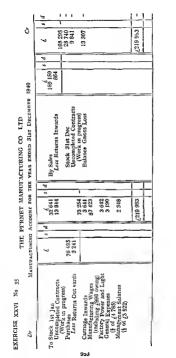
	Dr Publishing Traning and Profit	STAM	Loss Loss	Acc	AAAVI-NO. 34. THE STAMBRIDGE PUBLISHING CO. LTD. PUBLISHING TRADING AND PROFIT AND LOSS ACCOUNT FOR THE VEAR ENDED 31ST DECEMBER 19.		ΰ	
95	To Stock, 144 [San Paper and Dantin Paper and Dantin Paper and Dantin Currany Currany Poper and Telegrams Polytics and Telegrams Polytics and Telegrams Polytics and Telegrams Polytics and Telegrams Polytics and Telegrams Discontinue Dantinue Bad Debts Wage and Salance Polytics and Salance Polytics and Salance Bad Debts Polytics and Salance Bad Debts Polytics and Salance Bad Debts Polytics and Salance Bad Debts Bad Bad Salance Bad Bad Salance Bad Bad Salance Bad Bad Salance	250 4,550 4,550 150 110 110 110 110 110 110 110 110	\$ 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	M	By Sales Subcarbers Adventements Stock, Jist Dec.	5,500 40 4100 700	w 1 1 1 1	41111
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	Dr SUPPLY TRADING AND PROFIT	ON LO	Ss A	CCOO	SUPPLY TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECRMBER, 19.		ů	!!
	To Stock, 1st Jan, Purchases Carrage , Trade Expenses	9,000	., I ( I	74 1 1 I	By Sales , Stock, 31st Dec. , , , ,	17,500	, 11	411
	Wages and Salartes Discounts Designs and Telegrams Designs for Publications Balance, Nex Profit of Dept.	1,500 80 80,500 8,030	117111					
	7	21,500		$\Box$	3	£ 21,500	1	11

# ć 63 310 Ċ 8 310 902 97 5 030 3 280 GENERAL PROTIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19 By NET Profit of Departments-Current Year's Profit THE STAMBRIDGE PUBLISHING CO LTD By Balance 1st Jan Publishing Supply APPROPRIATION ACCOUNT /8 310 1 130 2 000 3 511 88 8 902 97 Reserve for Bad & Do biful Debts Deprecat on of Furniture etc D rector a Fecy To Managing Director s Commission 24% on 42 586 Director Shares Director Shares Reserve Account Managing D rector s and Secre General Advertis ng Exps To Rents Rates and Taxes Balance to Balance Sheet General Office Salaries Travell ng Expenses Balance NET Profit General Expenses tary a Salaries Bank Charges Stationery 'n à

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EXERCISE XXVI-No 34 (contd)

THE STAMBRIDGE PUBLISHING CO. LTD.



ford) THE PRENET MANUBACTURING CO, 1,TD. Provet and Loca Account to the name also December, 1940 Co.	By Transfer Feet								
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EXERCISE XXVI-No 35 (conid)

LTD	1940
NIT MANUFACTURING CO	BALANCE SHEET AS AT 31ST DECEMBER
PER	ANCE
THE	BAI

	CATTAL AND LAGLTES	<u></u>	=	1=	42	-		PROPERTY AND ASSETS LEASENG & WORKS	3	-=-	_ F	1)4   4   4   1
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							83	Cash at Bank	3,246	+	<u>-</u>	11 837
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TEST I-No I

When a bank overdraft has been collaterally secured by the issue of Deben Much a some overcome as been containing secured by the issue of Decembers, the Debentures so issued should be entered "short" on the Liabilities side of the Balance Sheet, as below-

# BALANCE SHEET

# (CAPITAL AND LIABILITIES SIDE ONLY)

- CASILITIES S	IDE ONTEL
Authorized Debentures— 800 Bonds of f50 each Issued Debentures— 600 Bonds of f50 each Bank Overdraft (Collaterally secured by Issue of f5,000 Debentures)	£ s d £ s d
TEOM .	

## TEST I-No. z.

According to Article 13 of Table A, a company is empowered to charge According to Afficie 15 of Table A, a company it empowered to Guarge and Calls in Affears at the rate of 5 per cent, and not at 10 per cent as charged by the company. It would even reasonable to assume that inferest on Calls in Advance should be provided for, against defaulting share. anceres on the in the accessional to provide for, against detailing source holders, being charged interest (See also Advanced Accounts, pages 620 TEST I-No. 3.

The documents, or other information required before passing the Share Certificates as correct, are as detailed belowerincares as correct, are as detailed below——

(I) Old Share Certificates covering the distinctive numbers included in the new certificates to be surrendered

we certificate to be surremored.

(2) The Share Transfer—transferring the shares to the person in whose (4) Luo Sinate Distinct—transferring the shares to the person in whose favour the new certificate is prepared—duly signed by the transferor and

Austoree, amount the suspected

(3) Satisfactory evidence of the following facts must be forthcoming—

(b) That the transfer has been properly stamped

(a) Inat the transfer has been properly stamped
(c) The new share certificate to be closely examined as to its accuracy in the details inserted

the details susceed

(d) The transfer lodged when the transferor acquired the shares

(e) Agreement of particulars relating to the shares as entered in the [9] agreement of particulars of shares given in the transfer

#### TEST I-No. 4.

	DECEMBER 1939 Cr	131 740 - 131 419 - 21 741			09199	30 723		1 100	i	ڻ	5 101 21
3 LTD	MANUFACTURING AND PROFIL AND LOSS ACCOUNTS FOR THE YEAR INDER 31ST DECEMBER 1939	By Sales Lets Returns Inward Cooch 34et December				By Trad og Account Gnove Proft bid	Appreciation of successions			и Ассолит	- By Current Year a Profit b/d
BI ANKS LTD	oss Account	_	22 810	**************************************	30 723	1	1127	1 382	100 100	APPROPRIATION ACCOUNT	2 250 2
	AND PROFIT AND I	67 834	3315	\$38 615					=	,	b% Informe Shares
1E31 1-No 5	Dr MANUFACTURING	To Stock 1st January 1938 Purchases Less Returns Outward	, Factory Wares Factory Expenses Machinery Reparts Interest and General Expenses Insurance	Depreciations— Alsohinery and Plant Loose Tools	Balance GRoss Profit c/d	To Salaries and Expenses Interest and General Expenses	. Travellers Salaries and Expenses Bad Debts Discovers Feet	Depreciation of Notor Lorries Balance New Profit o/d		Dr	to Interim Dividend pa d on A 6% Irel

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TEST I-No. 5 (contd)

BLANKS, LTD.

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	33	- 1	PROFEST AND ASSESS SECTOR									Issuerance Prepaid Wages recoverable from Insurance Company	
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	- 5	1	Lenschold Factory	Additions thereto	Less Depreciation	for Lorries Less Depreciation	lents se fools Lett December	5	ž	- 5		Ē	
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		-	reference Shares of 15s, each 75 000	_4	200 000	75,000	45 090	- (20,000 -	've of £100 each			(744.3)2	
		L AND LIABILITIES	reference Shares of 15s, each 75 000	_4	(200 000	75,000	Debrours 4.05.	- (20,000 -	-   			(244.31)	

TEST II-No r

#### JOURNAL OF MCARTHURS LTI

19 Feb 1	Appropriation A/c Dr To Reserve A/c	5 000	s	đ -	£ 5 000	s 4
	Preference Share Dividend A/c Dr To Preference Shareholders	1 750	-	-	1 750	1
	Preference Shareholders Dr To Income Tax (tax at say 4s) Bank	1 750	-		350 I 400	3.1
	Appropriation A/c Dr To Preference Share Dividend A/c	1 750	-	1	1 750	4
	Ordinary Share Dividend A/c Dr To Ordinary Shateholders	10 000	1	-	10 000	
	Ordinary Shareholders To Income Tax (tax at say 4s) Bank	10 000	-	-	2 000 8 000	
	Appropriation A/c Dr To Ordinary Share Dividend A/c	10 000	-	-	10 000	
	(	40 250	Ξ	Ξ	40 250	

D	, APP	ROPRIATION AC	CCOUNT	Cr
in Feb 1	To Reserve Preference Dividend Ordinary Dividend Balance c/d	5 000 s d Feb 1 Dec 31 0 000 6 743	By Salance Profit for year	3 743 19 748
	•	23 493 Feb 1	f By Balancs b/d	23 493 6 743

$D_{7}$	BANK ACCOUNT	Cr
	Peb 1 By Pref Shareholders Ordy Shareholders	£ 400 s d - 8 000 -

#### TEST II-No 1 (confd)

$D_{r}$	INCOME TAX ACCOUNT	Cr
	19 t By Pref Shareholders Ordy Shareholders	2 000 5 d

#### TEST II-No. 2.

The necessary entries for the issue of shares at a premium (applicable to any class of share) are set out on pages 603 and 604 of Advanced Accounts

#### TEST 11-No 3

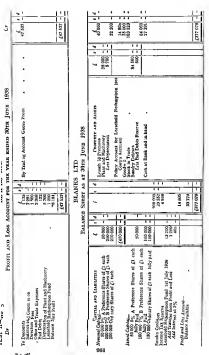
It may be assumed that as the directors of the company are empowered according to the Articles of Association of the company, to allow interest on Calls in Advance there would be an obligation to make provision for such interest when preparing the accounts for the financial year. The necessary entries to bring prieters to Calls in Advance into account are as under-

JOURNAL
Interest Payable A/c . Dr
To Shareholders

(See also Advanced Accounts pages 620 and 621)

#### TEST II...No 4

This tem of overhead relates to the attempt to ascertain the expense of running each machine in order to be able to charge the work done on the machines with the actual expense due to work being performed. When the actual cost has been ascertained for the total estimated coming flours the actual cost has been ascertained for the total estimated coming flours the apply to the ratio the "total" time run on the appeals of the actual time run on the apecial to the actual time run on the apecial to the actual time run on the apecial to the actual time run on the appeals of the actual time run on the appeals of the actual time run on the appeals of the actual time run on the appeals of the actual time run on the appeals of the actual time run on the appeals of the actual time run on the appeals of the actual time run on the appeals of the actual time run on the appeals of the actual time run on the actual time.



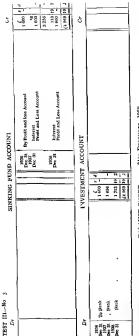
-No 1, STATEMENT OF PROPET AND LOSS OF A AND B FOR THE YEAR ENDED 31ST DECEMBER, 1938	Cath Distance (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
PROFIT AND LOSS OF A AND B	1   1   1   1   1   1   1   1   1   1
TEST III—No 1, STATEMENT OF	Manipopologico de la constante

. . . . . . 11 3 555 £21 982 6259 50 8 3950 BALANCE SHELT OF A AND B AS AT 31ST DECEMBER 1938 ASSETS. Sundry Debtors
Stock a Trade
Funt tre Futures etc
Lass Depresation Plant and Machinery Freehold Property 6 505 621 985 £4 413 16 8 5 163 16 3 0 40 22 8 700 447 3 943 13 4 13 091 612 091 LIABILITIES AND CAPITAL TEST III- No I (conid) Capital Accounts 1st January 1939 Less Capital withdrawn Add Interest on Capital Sundry Creditors Bulls Payable Loau on Mortgage Less Drawings

By Amount secured during the year TOTAL DEBTORS' ACCOUNT 26.50 D. 20.00 2006 5773 482 1 160,630 00 (6,719 Fcs 172 330 00 98 310 00 84,350 00 To Debtors in Prence at 1Ms date To Debterala France at this date .. Sales during the year ... Profit on Luchange ... TEST III-No 2 1937 Dec 91 Dec 91 1979 Jan 1

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865

# BALANCE SHEET AS AT 31ST DECEMBER 1938

LIABILITIES

ASSET

29 in h = 5 mk ng Fand Javestarents 4 949 119 2	When repayment of the debratures takes place the investment will be realized bank being debited and the investment condited Apy balance that may retain on the latter account will be transierred to the Sanking Fund Account. The Debrature Descount Account Account the Eranskered to the Sanking Fund Account the balance of which will be transferred to a Reserve Account. The Debratures will be discharged the Debratures Account being debrited and bank credited
Debentures Smking Fund Account	When repayment of the debentu credited Any balance that may re Debenture Discount Account will be Reserve Account The Debentures wil

TREE III No .

51 JII—No. 4			
Dr	MACHINERY A	CCOUNT	Cr
To Bank— Cost of Machine Cost of Erection Cost of New Machi To Balance, brought do	(4 400	By Sale of Scrap , Amount written off to Depreciation Fund , Balance, carried down	[ 5 4 75 - 1 1,97 \\ 2 350 - 1 64,400
Dr.	DEPRECIATION	FUND	Cr.
To Cost of Setapping Machine Machine Loss on Realization of Investment Amount written of Realization of	90 1 -1	By Amount of Fund as stated Frost and Loss Account	£ s £ 1 650 435
Dr :	INVESTMENT AC	COUNT	Cr
To Balance . ,	1 650 -	By Back ,, Lots on Realization	1,560 r d 1,560 r
Dr	BANK ACCOU	NT	Cr.
To Sale of Scrap . , Investments .	275 4 4 1 500 -	By Machine , Cost of Erection , Cost of Scrapping Vachine , Cost of New Machine	2 000 100 2 000 2 000

TEST III-No 5 (a) Liabilities of customers for acceptances endorsements, and other engagements denote bills which the bank has accepted or endorsed on behalf of its customers. This is usually done in the case of foreign bills as it greatly facilitates their negotiation abroad. The customer is, of course, liable to the bank, while the bank is liable to the parties abroad. These items therefore

appear on both sides of the balance sheet, (b) Money at call or short notice denotes loans to bill brokers, stock brokers and others on securities called "Floaters" (se exchequer bonds, consol certificates, and other first-class securities) Advances are also made on Dock

Warrants, Consumments, Produce Documents, etc. (c) Current Deposit and other Accounts, including provision for Con tingencies, denotes the hability of the bank to ats customers, repayable on demand or after a short period of notice Provision may also be included in the item for staff pension fund, secret reserves, and any balances which it is not thought needful to describe with more particular detail.

#### TEST III-No 6

- (a) An appropriation of profit is the allocation of profit earned to some particular purpose such as the payment of a dividend the setting aside to reserve of some specific sum or an arbitrary amount written off goodwill
- (b) A charge against profit is an item of expense that has been incurred in earning profit
- (i) Directors fees are a charge against profits as the fees represent remuneration paid to directors for services rendered in conducting the business of the company
   (ii) Debenture interest may be regarded as either a charge against profits
- or an appropriation of profit. It may be said that the interest is an essential cost of working the business and from that point of view is a charge agnant profits. On the other hand, it can be argued that if the company had issued shares to an extent to provide the funds increasing to make the business bor rowing would not have had to be resorted to and debenture interest would not have arisen and that concequently the interest is remuneration to money invested in the business on debentures just as a dividend is remuneration to money invested and the business in shares. It is also thought that the Profit and Loss Account abould show profit arising from pure trading and not have charged against it in arriving at trading profits an item like debenture interest which would not have arisen if the company had issued sufficient share capital and avoided borrowing.
- (iii) Bad Debts Reserve is a charge against profits because it represents a provision for probable losses arising in trading
  - (iv) A General Reserve is an appropriation of profit because it is merely the setting aside of profit earned and is not a cost of earning profit
  - (v Dividends paid is an appropriation of profit, being merely a distribution of profit and not a cost of earning it



≠15 625

#### TEST III-No 8

See Advanced Accounts page 612 The tro forms Iournal entries relating to forfeiture are-

#### Share Capital Account

To Forfested Shares Account Cancellation of called up capital on shares forfeited

Forfested Shares Account

Balance 1st lan 1938

To Share Call Account Amount of unpaid calls written off

#### TEST IV-No 1

- (a) Gross Profit (4 518
- (b) Expenses (2 158 (excluding Depreciation (418)
- (c) Net Profit 4I 942
- (d) Capital Accounts-

Add Share of No	t Profit	971	*	971			
Less Drawings		9 204 900	_ :	6 967 750	= =		
Balance 31st Dec	1938	£8 30 <b>4</b>	-	£6 217			
		PROOF	,		,		,
Assets (as question) Capital A	£ 8 30			s d	15 625	s	a
B Creditors	6 21	7	14 521 1 104	-			

TEST IV-No 2.

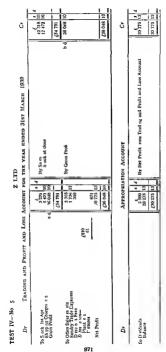
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		(Town)	355	2.4		- 1	31
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	OALAS AL	(Lown)	6 87 6 11/d		_	ا	(6,13)
	OALES A	(Lown)	6 511 5 113 6 5 113 6 5 113 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5			_	(6,13)
	OALES L	(Lown)	6 57 6 1/d		_	ا_	163,33
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e de la companya de l	OALAS L	(Lown)		as Country Sales Ledger	_		(65,131
J	OALES LE	(Lown)		as Country Sales Ledger			(6,13)
	OALAS C	(Howi)		as Country Sales Ledger			(5,131
	OALKS L	(Hown)	To Enlance Sales	as Country Sales Ledger		70	15, 23

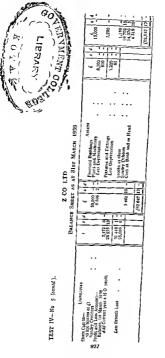
An infrence that may fairly be drawn from above accounts in that the amount £4 fs. 6d is an from of transfer for £2 3s. 3d posted in reverse, i.e. Town Debrors being credited in error for Country Deblors.

See Advanced Accounts, pages 124 onwards. TEST IV-No. 3.

TEST IV-No. 4

See Advanced Accounts, pages 545 onwards.





#### TEST IV-No 5 (contd)

The following converted Trial Balance is for guidance of students but not called for as part of answer to question

	TRIAL BALAN	NCE (PAR	rs)		_
Stocks 31st March 1938 Purchases Wages and Salaries Wages and Salaries Greditors Head Office Account Remittance from HO Cash at Bank and in Hand	Frants 1 164 870 3 499 632 1 146 623 1 88 620	Fraces 1 (10 006 181 636 4 775 186	6 471 10 19 447 8 6 371 5 1 049	6 166 1 009 26 400	14 2
Exchange Account (profit)	6 064 830	6 064 830	£33 693 10 -	£33 693	

Branch loss is arrived at as follows-

Stock, 31st March 1939-1 301 497 Francs - £7 230 3s

Total of Debit Items	£ 39 £93 10 d
Less value of— Stock at close Cash Branch profit	7 230 3 - 359 7 - 117 14 -
Dianol Piene	7,707 4 -
Branch Loss	£25 986 6

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